China monthly Review

密勒氏評論報

NEW CHINA MARCHES ON

. . . Y. T. Wu

CHRISTIAN UNIVERSITY CONFERENCE

. . . DRYDEN L. PHELPS

BRITISH DEBACLE IN MALAYA

. . . P. S. TSENG

SUPPLEMENT:

REPORTS on EAST CHINA by JAO SHU-SHIH and TSENG SHAN

SEPTEMBER 1950

JMP 6,500

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CHINA SIGNS for PEACE!

THROUGH *the vast expanse of China, people of all occupations and classes are signing the Stockholm Peace Appeal. The nation is aiming at a target of 200,000,000 signatures, and already 4,179,501 in Shanghai, 550,000 in Harbin, and 1,500,000 in Peking have put down their names for peace. In the Northeast, 19,000,000; in East China, 20,000,000; and in far-off Sinkiang, 1,250,000 people have shown they want peace and outlawing of the atom bomb.*

. . . Young men . . .

. . . foreigners . . .

. . . young women . . .

. . . co-op members and passengers on the trains . . . signing the Stockholm Peace appeal.

LETTERS From the People

Comments from readers on current topics are cordially invited: their opinions, however, do not necessarily represent the views of the *China Monthly Review*.

CHINA AND KOREA

To the Editor:

In the present Korean civil war, it seems clear that South Korea invaded North Korea. But then someone may ask, "If South Korea wanted to fight, and was well prepared, why is it that they have not only been unable to occupy a town in North Korea, but also have withdrawn until they have lost 90 percent of South Korea. Doesn't this show that North Korea also prepared for war?"

It seems difficult to explain, but let us look at China's liberation war. In 1945, the KMT reactionary clique had three million soldiers, half of them armed and trained by America. They then ruled almost the whole of China, while the Communist-led army totalled only one million soldiers, most of them poorly armed.

The KMT thought they were strong enough to subdue the Communists, so they broke the truce agreement and resumed the civil war.

It was wonderful that the KMT, day after day, instead of attacking, had to withdraw, and almost totally lost the support of the people. Finally, all of China except Formosa and Tibet has been liberated.

Since the war in Korea is similar to the Chinese war of liberation, and Rhee is much weaker than Chiang Kai-shek, how can he avoid defeat?

Every aggressor sees his enemy as weak and himself as strong. Hitler failed to defeat Russia. Now, the US and Rhee see only their own strength, but they do not see the strength of the Korean people. The head of the US Army Advisory group in Korea boasted that one company of South Korean troops could beat a battalion of northern troops. Last year, Rhee cried madly that he was strong enough to occupy Phyongyang in three days; but he didn't know that he had already lost the support of the people. The contrary happened in the North, where, after the outbreak of the war, the people warmly supported their cause, and hundreds of thousands joined the army and contributed money to buy weapons.

The Korean civil war might turn into a temporary stalemate, but at last the whole of Korea will be liberated, just as China was liberated.

CHEN WEN-NIEH

Shanghai
23 August, 1950

A CHANGED WALLACE

To the Editor:

I fully agree with your editorial in the July 8 Review, "The People Must Fight for Peace." This you have done, and are doing. The peoples of the whole world—those who genuinely want peace—clearly see, with painful regret, that the so-called American democracy stands for capitalism, cartelism, dollar-and-atomic militarism and imperialism—but they also clearly see that America's world anti-communist policy has been crumbling like a house of cards. Since America persists in this bankrupt policy, it is evidently getting more blind morally and foolish mentally.

In the June 24 Review, Mr. Alec Stock said that Henry Wallace, way back in 1947, described America's government as being one by and for millionaires, a government that stood for the abridgement of civil libertles and the rights of labor, and for an insensate drive toward war.

But how about the Henry Wallace of today? What about the Henry Wallace who publicly proclaimed himself a turncoat champion for war, for Truman's interventionist policy in Korea's civil war for unification and independence?

This is the Henry Wallace who was once America's lone hope for the fulfillment of FDR's great design to make America, the USSR and China a unified democratic front for a new, stable world order. This is the Henry Wallace who now supports America's mighty bid for world domination, which today is expressed in the cold war, but which contains the grave threat of turning into a hot war later.

S. Y. LIVINGSTON HU

Chungking
August 1, 1950

FEUDAL TRACES

To the Editor:

Under the Kuomintang, Chengtu was a non-productive city and it is now the task of the people's government to change it into a productive one. In Szechuen province there are some 450,000 former Kuomintang soldiers and officers as well as civil servants who are being re-educated and trained to serve the people. This causes a great strain on the new government, which also had to face the problems of the old warlords, landlords, rascals and bandits who infest this province. Because of the many difficulties and before the revolutionary order was fully established, the economic and social conditions in Chengtu were in confusion. Commodity prices soared very high, and bandits were active outside the outskirts of the city.

The government, in tackling the economic problems, sent students to the countryside and nearby villages to do educational work and tell the people why they should not use silver dollars. At the same time they took drastic measures against the KMT spies and landlords. Now commodity prices are stable and the bandits in the borders of Szechuen have dispersed or surrendered to the people's army.

Though Szechuen is not a poor province, it has suffered greatly from years of maladministration by the great warlords and the Kuomintang's reactionary government. Thus, the peasants have become poorer and poorer. Much will have to be done in this feudal province but the new government is tackling the problems courageously and hopefully.

L. H. SHU

Chengtu, Szechuen
August 8, 1950

FAMILY MEETING

To the Editor:

The following story should interest many of your readers abroad.

One day in February a thought examination meeting was held by a family here in the capital. The participants were the father, a 50-year old professor at Tsing Hua University; the mother, who is a housewife of 47; the son aged 18, who is a student at Yu Ying Senior Middle School and the daughter aged 17, who studies at Pei Man Senior Middle School.

Although no outsiders were invited to take part in the meeting, seven friends came by accident to join them as mere listeners. One of the seven offered to take the minutes.

The meeting was first proposed by the son about a couple of months before, but they decided to wait until several other families' meetings had been held. It was agreed to hold the meeting because the parents and their children lacked a deep understanding among themselves.

The meeting started at 8:00 p.m. Everyone was full of delight and every face looked honest, frank and enthusiastic. The first speaker was the father. He said that because he was born in a rich merchant's family and received a bourgeois college education, his thoughts were mainly incorrect in the past. Since the liberation of Peking he had seen with his own eyes what good discipline the PLA soldiers had and the way the Communist Party members worked to serve the people. He began to realize his wrong conception of the Communist Party in the past. He said he had been greatly influenced by his young friends and in his studying he is gradually learning the correct standpoint and way of doing things.

Then it was the mother's turn. She looked back to her middle school days when she had no strength to fight against her feudalistic family. After marriage, she had children and though she was not content with just doing housework, she could do nothing but assume a passive attitude toward things. She was confined to her small circle—her family. Now she kept touch with other women in activities that were helping the community.

The son was an honest boy, an honest individualist in the past. He is fond of music and of collecting stamps. When Peking was liberated he refused to join his schoolmates in their propaganda corps. In order to improve her son, the mother bought a number of revolutionary publications and read them herself. The son followed her example and read through them one by one. It was from that time that his thoughts began to change. He talked with his friends about revolutionary ideas night and day. As a result he joined the New Democratic Youth League in his school. Not long afterwards, he became a Communist Party member. He wished that his father and mother could build up the proletarian standpoint. He spoke with frankness and enthusiasm.

Finally, the daughter began to speak. She said, "I can't speak as well as all of you do. I know, however, that a great change has taken place in me during the past year. For example, I don't feel shy when speaking in public

(Continued on following page)

CHINA MONTHLY REVIEW

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(Editor & Publisher, 1918-1947)

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Tseng Shan's Report on Financial and Economic Work

since I now teach in a mass education school and have joined the Youth League. I've been undertaking many things willingly which did not concern me at all before. I've now realized that if a person can be rid of his selfishness in the service of the people, he will experience true happiness." The mother was greatly moved by her daughter's words.

Suggestions followed after the speeches. To sum up, the father should pay attention to actual conditions and get closer to the masses of people. The mother should have the ability to analyze things objectively and her sentiment should not be confined to her small family circle. The son and daughter should not neglect their health and especially should not neglect their backward friends. Both the old and young were happy in accepting each other's opinions.

The meeting ended at 12:15 far into the night. The mother was so enthusiastic that she stood up and said in a trembling voice, "Children, we were related formerly as parents and children. From now on, we are not only relatives but also the closest friends." The son said, "Yes, mother, we should grow into faithful comrades and that will be very well."

P. Y. WANG

Peking
July 10, 1950

HONGKONG EVACUEES

To the Editor:

Of greatest importance in Hongkong, has been the large number of people who have been leaving during the past month. Many are returning to their homes in China now that they know conditions for industry and business there have improved and the currency is stable.

This has resulted in a great decrease in population here in Hongkong as thousands are leaving almost daily. Some go to Macao to return to China by sea, while others are returning through Canton.

The crowded living conditions in Hongkong, which have been very acute these past few months, are quite changed now and it is much easier to find living accomodations. This has greatly affected the abnormal prosperity of Hongkong. There are many new apartments and houses under construction but no one is interested in looking at them. All the Hongkong papers feature advertisements of houses and shops to let.

For the Hongkong workers, the future does not look too bright. Business circles are talking of lowering wages so that Hongkong products can compete with the cheap Japanese products that are now flooding the market.

A. WANG

Hongkong
August 17, 1950

PROGRESSIVES ABROAD

To the Editor:

I was very happy to read in the August 5 edition of the Review that the magazine will try to carry on in the future as a monthly. Your earlier announcement of the Review's contemplated closure had been received with the sadness one feels upon the departure of a good friend.

It seems to me, all things being considered, it might be a good idea for your new monthly to try to concentrate more on getting subscribers overseas. Surely, in the United States today the amount of fair news on China must be woefully inadequate. This would go for many other countries too. As the Korean war continues these must be a great demand in the west for news about the Far East, including China.

Admittedly progressive groups in the west are facing harsh days and must be deeply engaged in their own domestic affairs; however there still should be a good number of such people who are anxious to be kept informed on developments in Asia's largest and most powerful new democracy. By working with these progressives abroad you will not only be performing an important service by presenting them with a true picture of new China but you will also be helping the Review to carry on.

I have been a reader of the Review in the four years I have been in China and, in many respects, I think the magazine is more important today than ever. I hope that the new monthly meets with the success it deserves.

AN AMERICAN

Shanghai
August 21, 1950

PROFESSOR WEN I-TO

To the Editor:

I was surprised to read in the article on Professor Wen I-to, which appeared in the July 15 Review, the statement that "Wen interested himself in attempting to change the prevailing 'free verse' style of Chinese poetry into a poetry of a more regular beat and cadence . . ."

This, I believe, is far from true. When Professor Wen taught at Lien-ta he expressed warm approbation of the poems of Tien-Chien, a young poet who is one of the forerunners of the "free verse" style of modern Chinese poetry, and called him "the drummer."

According to my impression, Professor Wen had been a stern liberal scholar before he became an ardent champion of democracy. Prior to his assassination, he cried at the top of his voice to defend the growth of democratic power in China.

He said: "At the great turning-point of our national history, we must exhaust all our might in order to help ourselves to pass the present crisis. This is a time for 'drummers.'"

And he added, "We have too long intoxicated ourselves in delicate feelings. But today is a day of drum-beating . . .

"War time is a time for drums. We should exert our five senses to explore the beating of drums, the rhythm of drums, the cadence of drums . . .

"More than that, even in the post-war period we should use the exciting stimulating sounds of machines, engines, iron wheels, steel rails . . . in order to take part in the reconstruction work of our country . . ."

It seems to me these words indicate his final opinion on modern Chinese poetry.

FRANK CHOW

Hankow
August 1, 1950

REMOULDING IDEAS

To the Editor:

In response to the call of Chairman Mao Tse-tung made last year that government workers and cadres must carry out a large-scale ideological reform, Honan Governor Wu Chih-pu called a meeting on August 9. Some 5,000 government functionaries and cadres working under the direction of the provincial people's government attended.

At the meeting Governor Wu said that it is necessary to develop criticism and self-criticism so that we can overcome our mistakes and conquer bureaucracy and authoritarianism.

He stated that beginning on August 10 all of us are to concentrate for four weeks on studying important government directives and analyzing them so that we can link theory with practice and can use the weapon of self-criticism to improve our work.

Thus, on August 10 a large-scale study movement began in all the public organizations in Kaifeng. In the morning all offices continue their work as usual, but every afternoon classes are held and no business is carried out during this period.

At the Honan District Head Postoffice, 24 groups were set up. All of us postal workers have been studying carefully the postal and governmental documents and cementing our studies with our everyday work. In this way, the Honan people's postal service will continue to make great progress.

CHANG SHU-CHI

Kaifeng
August 19, 1950

NATIONAL GUARDIAN

the progressive newsweekly

For readers in China who wish to keep abreast of developments in America, the National Guardian is available by second class mail for US$2 a year, postage included. Checks should be made payable to National Guardian, 17 Murray Street, New York 7, New York, U.S.A.

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China monthly Review

密勒氏評論報

Established in 1917

The editorial pages present the opinions of the editor. The other pages of the *China Monthly Review* are written by the other members of the staff and the contributing editors who report and interpret the news irrespective of the views expressed in the editorials.

Vol. 119 Shanghai, September 1950 No. 1

THE NEW REVIEW

WITH this issue the *Review* begins publication as a monthly instead of a weekly. The financial saving which this change in format will effect should go a long way toward helping us get out of the financial hole into which we have been sinking.

In addition we hope, despite our reduced staff, that by concentrating our energies upon a monthly, we shall be able to produce a better and more useful magazine.

In the period immediately preceding our last issue as a weekly, a great many readers offered to help in a variety of ways, such as by introducing the *Review* to new readers, either by passing on their copies or by subscribing themselves for interested friends. While our financial problems have loomed especially large of late, we are depending upon readers for considerable help in other matters, too.

In the past we have regularly received extensive comments from readers about the *Review*. Today we want this type of helpful criticism and advice more than ever. If more of our readers will tell us of their needs, and their opinions about the various articles and features of the *Review*, it will help us greatly in making the *Review* as useful as possible.

We believe that the need for honest and informed reporting of the many great changes and development taking place in China and the rest of Asia is greater today than ever before. Certainly, if the American people had been fully and correctly informed of the true nature of developments in China in recent years and had been able to appreciate and understand the "lesson of China," it would have been much more difficult—if not impossible—for Truman and his war party to have launched their adventure in Korea. Likewise, if the "lesson of Korea" is correctly and honestly reported, the chances for pushing the people of America and the other Western powers into further adventures will be greatly lessened.

Naturally, we do not assume that the *Review* can do more than make a small contribution to the forces of peace. However, if we can do a little bit, if we can contribute to a better understanding of the new China in foreign circles, all our efforts will be well worth while. We believe that the best contribution we can make toward peace is by factual reporting of the events and happenings in liberated China. If the people of the West are truthfully informed of actual conditions and developments in this country, it will be exceedingly difficult for the war makers to succeed in their campaign to vilify the people of China, to prepare the people of the West for war by raising a mass hysteria based on hate and fear of the people's movements in China and other countries.

The anti-China campaign has reached such lengths that the majority of the foreign press daily lends itself as a weapon of the war promoters, spreading the most ridiculous—but frequently dangerous—falsehoods about the new China.

For instance, the *United Press* has solemnly reported that the "Chinese communists" advocate and practice the sharing of wives. While to those who have visited China since liberation, such a story only serves to indicate how far wrong the press can be, it is an entirely different matter for the average foreign reader who is forced to rely upon such media for the bulk of his information about this country.

Recently the *Review* carried a small item describing the reformation of prostitutes in Peking and telling of the well-known play put on in the capital by a group of ex-prostitutes who had been able to change their occupations and again become useful members of society. To us here in China such a story is merely another example of the improved conditions following liberation and thus causes no surprise. However, one progressive American paper found this account so newsworthy that it reprinted the item in its entirety.

The peace camp needs every supporter. We will do our best but we will need the real help of every reader. We are depending upon you to help us reach a bigger and bigger audience. We are depending upon you to let us know what kind of material you find of most interest and use.

EAST CHINA SUPPLEMENT

IN this issue of the *Review* we are carrying, as a special supplement, two official reports. One is Jao Shu-shih's report on agrarian reform in East China. The other is Tseng Shan's report on financial and economic work in East China. Both of these documents are valuable additions to the list of official texts which the *Review* has carried in past issues and as such should be particularly useful to readers.

The reason why we have printed these documents in the form of a separate supplement is because many readers have suggested that this form makes such documents more useful. A number of readers have expressed the desire to have such official texts in a separate form so that they may be indexed and bound separately.

We would appreciate hearing from more readers as to whether they find this new method more satisfactory than our old practice of including such official texts in the body of the *Review*.

New China Marches On

Progress of past year proves that neither internal difficulties nor foreign interference can halt the Chinese people in their drive for a better and more rational life.

Mr. Y. T. Wu (吳耀宗) is one of the Christian representatives on the PPCC. Long active in Christian and social work, Mr. Wu is recognized as one of the leading progressive Christians in China. A nattve of Kwangtung, Mr. Wu, following completion of his studies in China, attended the Union Theological Seminary and Columbia University in the United States. He is the author of "Christianity and Materialism" and a number of other works. His last article in the *Review* appeared in the August 27, 1949 issue.—Editor.

ON June 14, and for eight days, the National Committee of the People's Political Consultative Conference held its second plenary meeting in the Huai Jen Tang where the PPCC itself made history for China last September. I expected a routine business meeting; but, instead, I was thrilled. It was a lively meeting, again a historic one—a meeting that gave full evidence that new China is marching on.

The meeting was attended by 174 members of the National Committee and 424 visitors. It was a very representative gathering which took in people from all walks of life, including illiterate industrial workers, members of backward minority groups and warlords who turned against the reactionary Kuomintang regime before the liberation. These people came not just to listen to proceedings, but to bear testimonies of what they had experienced—how they became enthusiastic supporters of the new government.

Ex-Warlord's Speech

The words of Mr. Liu Wen-hui, former Szechuen warlord, won prolonged applause. He said: "In the past I was concerned with personal interests; I wanted to be a hero. I opposed Chiang Kai-shek, but only because he threatened to take away my sphere of influence. Only now am I really standing with the revolutionary forces." Then he added: "I am a big landlord. I want to present my land unconditionally and unreservedly to the government for division among the farmers."

Mr. Liu is typical of the many whose eyes are opened by the things they saw after the liberation.

It was only eight short months since the inauguration of the new government in Peking on October 1, 1949. But who was not moved by the reports of government officials who told us how peace and order have been restored, how new laws have been promulgated, how the control of national finance and economics has been unified, how prices and currency have been stabilized and, above all, how the famine of this spring, so much capitalized upon by ill-wishers of the new regime, was fought and conquered?

These are not easy tasks; the accomplishment of some of them even sound miraculous. For example, the stopping of the endless inflation and the skyrocketing of prices which had been a nightmare to every housewife and every business manager before the liberation.

Only a government which adopts a merciless logic about principles to be observed, which imposes an iron discipline on itself as well as on others and which possesses an unchangeable and indomitable will to serve the people, can hope to tackle and accomplish such a task.

The central theme of the meeting was the Agrarian Reform Act. This is the most revolutionary reform to which the government will address itself during the next two or three years.

Its aim is to abolish the landlords as a class and to replace the feudalistic ownership of land with ownership by the tillers. This will take away the fetters of rural economics, liberate the productive forces of the countryside and prepare the way for the industrialization of new China. The act was based on the rich experience of the Communist Party and thoroughly discussed in small groups by every member of the Plenary Meeting.

Already 145,000,000 people in the countryside have undergone agrarian reform and 264,000,000 more will go through the process during the next two and a half years. This is a systematic and violent struggle in which many delicate problems are involved and which requires handling with the utmost care. But the government is doing its best to avoid mistakes and excesses.

Liberation of Farmers

When the reform is completed, 80 percent of China's population—the farmers—will have been liberated from the yoke of oppression and exploitation and start on the road to freedom and equality.

The agrarian reform, the many measures to put the country's economy on a sound basis and the numerous pieces of constructive work that have been put through, all combine to inspire confidence that the government is really a "people's government" and that China's future is safe in the hands of such a government.

Not only in big things, but in small things as well, do we see the light of a new nation gleaming. I happened to look through the report which gave an account of the way the resolutions passed at the first PPCC meeting have been dealt with. In it I noted a resolution brought up by Mr. Tan Ka Kee, well-known overseas Chinese industrialist from Singapore, which suggested that the free supply of cigarettes to government employees be stopped. I was delightfully surprised by the report that this has been done. I cannot imagine such a thing happening under the Kuomintang regime, which passed resolutions by the thousands but never carried them out.

During my stay in Peking this June I was deeply impressed by the dredging of the "Three Seas" inside the old Imperial Palace which have accumulated silt for a century through the neglect and corruption of officials, thus creating an insanitary situation for the city. The drainage system of the city was also thoroughly overhauled and largely rebuilt.

Railway Reconstruction

All along the Peking-Shanghai Railway—mostly in war-torn areas—new stations have been built. The Huaiho bridge at Pengpu, blown up by retreating Kuomintang troops, was completely repaired in a year. The wreck presented a hopeless picture each time I passed by it going over the improvised wooden bridge.

At the stations and in the trains, the passengers are surprised by another fact—the refusal of 'tips' by red-caps, waiters and stewards. Once, a red-cap taking our baggage had to go a much longer distance than ordinarily required. We gratefully offered him some extra money, but he politely declined.

In the street-cars in Shanghai, 'squeeze' by the conductors used to be considered, even by passengers, not only right but also patriotic—the trams being foreign-owned. Now such a practice simply goes out of existence. These may be small things, but they have big significance.

They signify at least two new trends; first, a corporate sense of honor which forbids the workers to cheapen themselves by malpractices; second, a new political awareness which replaces their former self-centeredness by a revolutionary mind.

Naturally there are complaints and grumblings. The government has already performed miracles, but some people seem to expect super-miracles. Why such heavy taxes? Why is business so hard pressed? Why so many *p'ien hsiangs* (deviations from policies) among local government workers?

There are people who curse the Communist Party behind the doors, who even look forward to a third world war, when they believe the Kuomintang will 'victoriously return.' These include rich people who can no longer make fat profits from speculation; owners of fashionable restaurants and tailor-shops and gold and silver-ware makers who found their business dwindling after liberation; short-sighted industrialists, merchants and ordinary householders who fail to see the meaning of the present revolution, the radical read-

justment which the country has to go through, and the price which every one of us, more or less, has to pay for it.

Shanghai is hit worse because of its abnormal character and because of the blockade. I have likened the former prosperity of Shanghai to a person having a goiter. To a superficial observer, a goiter is a lot of flesh and a credit to its owner, but the doctor advises operation. Operation is painful and for the time being means loss of weight, but it will eventually restore the health of the patient, which is what he actually is. But the readjustment is being gradually made and most people begin to see with Chairman Mao that the financial and economic life of the country has taken the first steps towards a change for the better and that the basic change will come in about three years.

The prevalence of *p'ien hsiangs* in government administrations has also caused many questionings. Rude manners, inflexible rulings, lack of appreciation of difficulties of people affected and over-anxiety to accomplish an assigned task—these are among the common complaints made against local government workers. The difficulties which so many of the country churches, and some of the city ones, experience are not unique, but part of this total situation. Why do these things happen? Not because the government wills them. They happen simply because the government has not yet had time to make the situation better.

Many parts of the country were liberated much ahead of schedule and the government did not have enough trained political workers to cope with the situation. Workers drawn from old liberated areas are not always acquainted with conditions in the newly

Chinese Christian Leaders Condemn US Intervention in Korea, Taiwan

Religious leaders in China are playing an active role in condemning US aggression in Taiwan and Korea. Buddhists, Moslems and Christians have issued joint manifestoes calling on Americans to support world peace.

* * *

IN Shanghai 40 representatives of the Buddhists, Moslems and Christians have issued an appeal to religious believers in America. "Do not allow the United States to send one more bullet to Asia to kill people, or to send one more American youth to Asia to serve as cannon fodder!" their manifesto urged.

A delegate to the Chinese People's Political Consultative Conference, Buddhist priest Chu Tsan, in Peking called on all Buddhists throughout the world to stand on the side of the peace front, saying: "Buddhism is anti-aggressive. The Buddhists in Taiwan are sure to follow the example of Buddhists in Korea, 1,300 of whom have joined with the people in defense of their own country, and rise in support of the island's liberation."

Christian leader Chao Tse-chen, principal of the Theological College of Yenching University in Peking and one of the six vice-chairmen of the World Council of Churches, appealed to the million Christians in China to support the people's government and oppose American aggression. "The US invasion of Korea and Taiwan completely violates the true cause of Christianity," he said.

Pastor Wang Tsu-chung, chief executive of the North China Christian Association, denounced American intervention in the internal affairs of Korea. He stated, "The Americans have made a gross blunder and they will suffer for it."

* * *

A STATEMENT issued by 31 prominent Chinese Christians in Shanghai denounced US actions in Taiwan and said, "we Chinese Christians firmly support Chairman Mao's call and Foreign Minister Chou's solemn statement concerning the aggressive act of US imperialism.

"Taiwan, being Chinese territory, the dispatch of the Seventh Fleet to Taiwan by the US government which is intended to prevent its liberation by us, constitutes an infringement of our territorial and sovereign rights, and so cannot be countenanced by the Chinese people. We must enthusiastically support the liberation of Taiwan by the PLA. We are confident that the Chinese people are strong enough to accomplish this task."

Pointing out that they firmly believe that the Korean people will completely liberate their fatherland, the Christian leaders said, "We wish further to express our greatest indignation at, and lodge our strongest protest against, the criminal deeds of US warplanes in recklessly bombing peaceful Korean cities and countryside, and wantonly slaughtering innocent people, women and children of Korea."

It was blasphemous, they said, for Truman to pray for God's blessing in behalf of US aggression in Korea, for a God who is righteous and merciful and worshipped by all devout Christians will certainly not bless such action. They pointed out that on the contrary "Truman and the other criminal perpetrators of US imperialism are bound to meet with the harsh and merciless judgment of God."

In appealing to the American Christians, they said: "In opposing US imperialism, it does not mean that we are opposed to the good American people. We wish to appeal to the Christians of the United States to stand together with us, in opposing Truman and all the warmongers for sending American youth and the youth of other countries to the front as cannon fodder, and in opposing the butchering of Korean people by US warplanes, as well as in adopting effective measures to halt this criminal aggression of US imperialism.

"The repeated defeats suffered by the US armed forces in Korea fully prove the impotence of US imperialism, and also testify to the formidable strength of the people. Therefore, it is entirely possible for the peoples of the world to unite together to rout US imperialist aggression and to smash all attempts of war-making on the part of US imperialism. To strive for the realization of this goal, we are ready to exert our greatest efforts."

The statement was signed by the following Christian leaders in Shanghai:

Wang Kuo-hsiu, Chairman of the Executive Committee of the National Council of Y.W.C.A.
Ai Nien-san, Pastor of Lutheran Church of China
Wu Gao-tsu, Pastor of the Methodist Church of China
Wu Yao-tsung, Chief of the Publication Department of the National Council of Y.M.C.A.
Tu Yu-ching, Chief Executive of the National Council of Y.M.C.A.
Chen Shan-hsiang, Chief Executive of Y.W.C.A. of Shanghai
Chen Ho-hsiang, Pastor of Tien En Tang of the Anglican Church of China
Yang Hwai-sheng, Chief Executive of Y.M.C.A.
Teng Yu-chi, Chief Executive of the National Council of Y.W.C.A.
T. K. Lai, Chairman of Kung Yi Huei of Christian Church of Shanghai
Cheng Chien-yeh, Editor of the "Tien Fong Weekly"
Liu Liang-mo, Chief of the Work Department of the National Council of Y.M.C.A.
Miao Chiu-sheng, Executive of China National Christian Council
Lo Kuan-tsung, Executive of Y.M.C.A. of Shanghai
Chi Ching-tsai, Pastor of Huai En Tang
Hsieh Sung-san, Pastor of the Moore Memorial Church
Chen Yi-sheng, Director on the Board of Directors of Church of Our Saviour
Chu Kuei-shen, Pastor of Chung Hwa Church
Koo Shou-ien, Voluntary Pastor of Church of Our Saviour
Yao Hsien-yang, Pastor of St. Peter's Church
Chang Te-shing, Pastor of Jesus' Church
Yao Tsung-en, Pastor of Hungchen Chapel
Hoo Te-kang, Pastor of Christ's Church
Huang Juei-ching, Pastor of China Pente Holi Church
Kiang Chien-tsu, Pastor of St. Peter's Church
Chu Chi-yuan, Pastor of Church of Calvary
Hsiang Bin-hsien, Pastor of God's Assembly Mission
Ruth Hsiao, Pastor of God's Assembly Mission
Sung Tsu-cheng, Pastor of Kai Lo Tang
Shao Tsu-ming, Pastor of Kai Lo Tang
Chao Wei-ching, Pastor of Jesus' Church

liberated areas—especially when rural workers are asked to serve in cities. Very often, due to lack of personnel, former employees of the old regime are taken over and their unregenerated ways and manners find expression in their jobs.

Again, satisfactory handling of a situation requires tact, patience and a 'dialectical' view of things, which local government workers do not always possess and which instructions from above cannot hope adequately to provide. When we take these various factors into account, we shall begin to gain a more understanding view of the problems we face.

Complicating Factor

The situation of the churches is complicated by another factor—the relation between Christianity and imperialism. The average church-goer is both confounded and indignant when he is told that imperialism has made use of Christianity, and that Christianity is actually involved in imperialism. "What is imperialism? I have never seen it, at least not in my church!" The matter is worse when he is told about 'American imperialism.' "Impossible! Most of the American missionaries I know are good people; they came to China with a pure motive and none of them has been known to be a commissioned agent of his government."

In spite of these protests, the fact remains that it is a very widespread view that Christianity is connected with imperialism, and many of the problems the churches and their related organizations are facing have to do with this fact. How shall we explain this seeming contradiction?

When we take the historical view, the matter immediately becomes clear. Christianity in China was spread with the help of the imperialistic domination of the Western Powers over China through extra-territoriality, spheres of influence and a host of other special privileges which the 'unequal treaties' guaranteed. Many of these 'unequal treaties' were concluded as a result of cases in which missionaries were involved. Missionaries living in such a state, consciously or unconsciously, take on an imperialistic and superior air, both in thought and deed.

The cultural impact from the West, which both missionaries and Chinese educated in the West bring to China, is also colored by imperialism. If culture is ideological, it cannot escape the dominating political influence of the country from which it comes.

What Is Imperialism?

But what is imperialism? It is simply this: what one country imposes on another by political or military power, whether it be merchandise, capital, an ideology or a political system. What the United States did to the Chinese people since 1947 is just such an act of imperialism. It upholds the reactionary Kuomintang regime, which the Chinese people hated and spat on, and it refuses to recognize the new government which the Chinese people support. And it does this in the name of democracy and freedom!

The United States is now making the same tragic and fatal mistake in Korea. We shall not go into the question of who started the war, for that will never be settled by argument. The main point is that the United States, in the name of the United Nations, is resorting to military intervention to impose its will on the internal affairs of a people who are fully able to deal with them themselves.

Truman's decision to use military means to prevent the liberation of Taiwan by China, in contravention of the Cairo and Potsdam declarations which the United States signed, is the final stroke which completely unveils the imperialistic motive of American policy in regard to China.

Imperialism is destined to failure, for it is against the will of the people on which it works. It has failed in China; it is failing in Korea; it will fail everywhere else in the world.

The fact that many good Christian people in China do not know what imperialism means, and fail to realize the connection between Christianity and imperialism, is itself a good proof that imperialistic influence has been at work in Christianity in China. This ignorance is understandable, for imperialism is not just guns and airplanes, spies and power politics which can be seen, but also cultural taints and ideological subtleties which can be veiled and camouflaged.

Eyes Gradually Opening

But the eyes of Christians in China, thanks to the above-mentioned events, are gradually being opened. On August 1, thirty-one outstanding Christians in Shanghai issued a statement against American aggression in Taiwan and Korea. Among the signatories were 19 pastors who used to be shy of politics and repugnant to any declaration of condemnation. A widespread movement is now under way aiming at the eradication of imperialistic influence in the Christian movement and the ushering in of a truly indigenous Chinese Church.

When the Christian church in China has cut itself off entirely from imperialistic influence, it will have removed the biggest obstacle standing in the way of the full realization of religious freedom which the Common Platform of the PPCC guarantees. There is not the slightest doubt that the government is not only sincere but emphatic about the observation of this principle, for it is part and parcel of New Democracy. But Christianity must do its part by putting its own house in order.

The Communist Party in China and the new government which it leads have made mistakes. They never try to conceal these mistakes. On the contrary, they lose no time in exposing them and they spare no efforts to correct them. During recent months, the Communist Party and many important government officials have made repeated statements urging party members to learn to cooperate with non-members and to welcome their criticism. A nation-wide movement has been inaugurated to correct *p'ien hsiangs* among local government workers, especially those which are liable to be committed in relation to the impending agrarian reform. Self-criticism and the acceptance of criticism from others—this is one of the mightiest weapons with which the Communist Party is armed to inoculate itself against deterioration and to guarantee its purity of purpose.

Another important factor which must go to the credit of the Communist Party and the new government is the absence of corruption. People may complain about *p'ien hsiangs*, but they never doubt that what is taken from the people is used for the people and that many of the mistakes have been made simply because a basically good thing is overdone or wrongly done.

No person with a little common sense can help being optimistic about the future of China. China is marching on; she is heaping one victory on another; and she is doing this under the serious handicap which history has laid on her through the reattion of the Kuomintang and the imperialistic designs of foreign powers.

But it will be a long time before the ordinary American or Britisher or anyone steeped in bourgeois democracy can fully understand new China and the thought-forms which arm, inspire and unify all those who support her. The most common and fatal mistake is to imagine that there is a 'free world' represented by the bourgeois countries and an 'iron curtain' represented by the Soviet Union and the countries that stand with her. It would take another article to explain why this is so.

But let the citing of one fact suffice: the "free world' is experiencing difficulties and frustrations everywhere and is falling to pieces, while the 'iron curtain' is daily gaining strength and becoming more consolidated and better able to serve the real interests of the people. History speaks, but it can only be heard when prejudice is removed and self-interest forgotten.

Should Face Facts

It is tragic that the bourgeois countries—or those who actually rule them—refuse to look facts in the face. Instead of seeing the source of their troubles in their own capitalistic and imperialistic system and the social contradictions to which this system gives birth, they turn eyes outward, chasing and fighting the will-o'-the-wisp which forever eludes their grasp.

Instead of seeing the will and power of the common people in ideas and movements that have weathered the storm, withstood persecution and grown like wild grass, they hold fast to imaginary treasures and everywhere manufacture puppets and robots to safeguard them and become perplexed and bewildered when these puppets and robots collapse at the first touch of the mighty arm of the people.

The bourgeois countries have persistently refused to learn the lesson from the Soviet Union. Will they learn the lesson from the 475 millions of Chinese who are the most practical people in the world and who are now making a gigantic effort in nation-building? The answer to this question has much to do with the weal and woe of the coming generations.

— *Y. T. WU*

A Christian University Conference

Ten-day assembly at which students, teachers and "work-friends" discuss problems of West China Union University provides practical lesson in new democracy.

BEGINNING on Wednesday June 28 the students, faculty and workers of this university held a 10-day conference at which the organization, life and work of the institution were discussed in great detail.

Since this was the most comprehensive conference held so far, the university was buzzing with opinions, suggestions and so on. While the overwhelming majority of the staff and students welcomed the calling of the meeting, took an enthusiastic part in the discussions and felt that a great deal was accomplished, the habitual critics of the new democracy also had their say. Expressions such as "pooled ignorance" and "meaningless waste of time" were occasionally heard.

The organizations and groups participating were the Teachers' Union, the Students' Union, the President's Committee (President Fong had just returned from educational conferences in Shanghai and Peking), the new democratic Youth Corps, and the University Workers' Union. Everybody connected with the university, including all colleges, dormitories, departments, hospitals and schools were represented in the 78 small discussion groups which were formed during the session.

Met in Unfinished Church

Just prior to the opening of the conference a request was made to the University Community Church for the use of its new unfinished building in the center of the campus. The walls are up, the roofs on, but no floors laid yet. As there was no time for a formal Church Board meeting, a "correspondence vote" was hastily circulated among the board members (11 students and 22 faculty members, both Chinese and foreigners). Some declined to vote, one voted a violent "No!" but the majority voted "Yes."

The doubts of a minority, expressed by the statement, "How can a Christian church lend itself to anti-Christian propaganda?" were shown to be unfounded by the results of the conference. Not only was there no conflict between Christian and non-Christian participants, but there was a great deal of consideration shown by each for the other's personal beliefs.

Liberation has brought great changes to China's schools. Gone are the Kuomintang-appointed deans of "discipline," gone are the midnight raids of dormitories by KMT secret police. Freedom of speech and assembly have returned to China's campuses. Like all other schools, West China Union University, a Christian college in Chengtu, Szechuen, has felt the effects of the changing times. In this article Dr. Phelps, an American missionary who has taught at the university for a number of years, describes a campus-wide conference, held in the spirit of the new democracy.—Editor.

At the first meeting, with the 1,500 participants sitting on boards and bricks improvised for seats, the chairman read a brief note of welcome from the church and the statement that this University Community Church joins heartily with the people of China in the making of a new society and affirms its purpose to be a church of the people which shall include teachers and workers, students and the *lao pai hsing* (common people) of the neighborhood.

When Saturday came, conference meetings for Sunday were announced. A circular vote was sent around in protest. The almost 100 percent vote that Sunday be left free "for worship" and "for rest" left the day free —a victory both spiritual and physical—for all were fresh and keen on Monday morning.

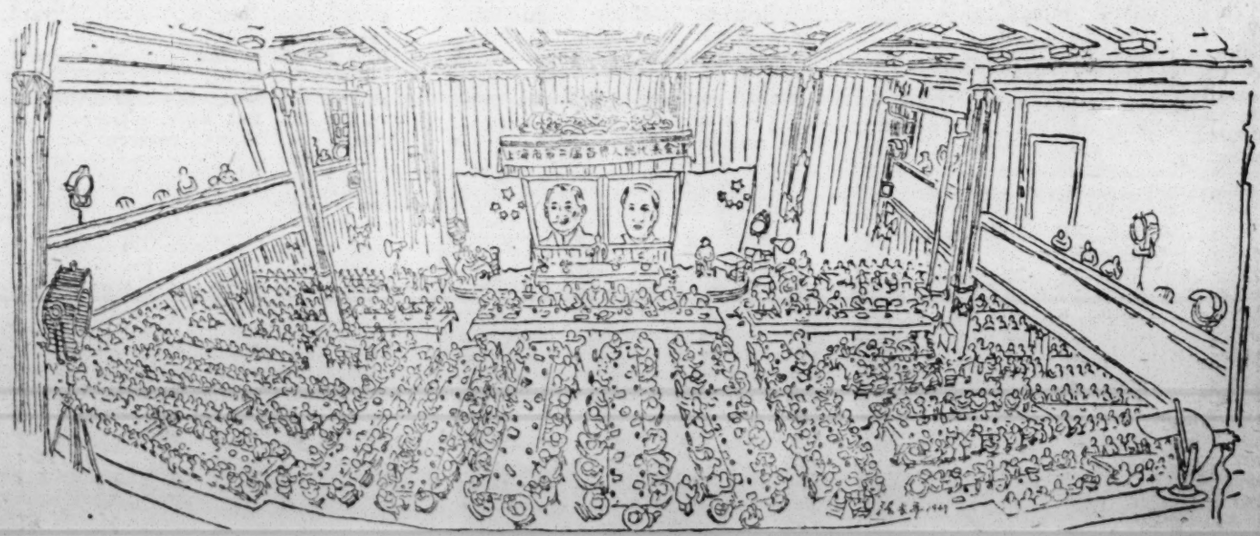
Any fears that the conference would be "anti-Christian" were dispelled by the fact that throughout the session the university's Division of Religious Studies distributed a number of leaflets and pamphlets to the conferees. On the first day 2,000 leaflets—10 suggestions to group discussion leaders and 14 suggestions to members of discussion groups—were distributed by the Religious Studies Division. During the 10 days, up to some 5,000 pamphlets were passed out to students, workers and staff by the Division. They were "Christianity and Materialism" by Dr. Wu Yao-tsung, "Jesus," a poem by Mei Ch'ing, "Christianity and Marx-Leninism" by Dr. Kiang Wen-han and "Religion in the USSR."

The high point of emotional intensity was reached in the debate as to whether the Department of Home Economics should remain a department or be changed into a *chu* (a division), with the home economics courses being distributed among different departments. Such a change would eliminate the possibility of majoring in home economics as such.

Two Departments Attacked

One morning, after every department, college and division had had an opportunity to present its case, outlining its present position and plans as regards such matters as staff, courses, general organization, financial situation, aims, and so forth, a member of the Youth Corps asked to speak. The chairman recognized him and, apparently thinking that the speaker wished to sum up the discussion or to make a few closing remarks since the meeting was about to end for the day, told the timekeeper to waive the usual five-minute limit placed on all speeches.

The speaker spoke for about 11 minutes, making a severe attack on the Department of Home Economics and also on the Department of Music, charging that they were foreign and bourgeois. The emotional quality of his presentation, the dubious nature of his "facts," the fact that the chair-



man had allowed him more than twice as much time as any other speaker had been given, and that the meeting was closed immediately following the speech, thus preventing the two attacked departments from replying, aroused a powerful reaction among the conferees.

The small discussion groups—all 78 of them—buzzed with excitement as individuals argued furiously, challenged the speaker's "facts," asked by what "special privilege" the speaker had been allowed 11 minutes instead of the usual five, and so on.

So, the next morning was given over to dealing with this situation. It was demanded that full opportunity be given the two departments to reply to the charges. The debate was vigorously waged and feelings rose. Members of the audience stood up from the floor and demanded an opportunity to speak. The "Committee of Chairmen" was challenged. The faculty chairman who the day before had granted the Youth Corps speaker extended time resigned from the "Committee of Chairmen," walked over and took his place simply among the students and staff of his own department. Immediately he was asked to return as chairman. He apologized to the whole group for his obviously inadvertent unfairness of the preceding day.

Critic Apologizes

As the debate went on, another member of the Youth Corps spoke with vigor in condemning his fellow member for his attitude and action. Perhaps the prospect of discipline from his own group, perhaps just the sheer fact of democracy standing up to withstand undemocratic procedure, hastened repentance. At any rate, just before noon, after hours of give and take, the original speaker, without further effort to use apology to reiterate his attack, simply stood up and made a straightforward apology to the whole assembly for having done what was wrong and unfair. Immediately the air cleared and the unity of good feeling was restored, although it must be noted that the incident naturally left an impression upon the conferees. Those attacked undoubtedly felt that they had been unnecessarily wronged, while for the meeting as a whole, it was a good demonstration of how alert democracy can withstand attack.

Between sessions of the whole student, faculty and worker assembly, colleges and departments were divided into 78 small discussion groups where such matters as finances, teachers' qualifications and methods, courses, fundamental educational aims, etc. were ruthlessly analyzed by students, staff and workers. I could not help but wonder what a volcanic earthquake would ensue were this process ever to strike our western universities like Yale or Oxford.

One day delegations from one group or college would visit another and ask questions. The questions had been written out and the answers or explanations were written down by the delegation's "secretary" to take back to his own group or college. The questioning and explaining would go on until the questions were satisfied.

For instance, students from the College of Medicine visited the Department of Foreign Languages and wanted to know why English majors had so slender a basis of knowledge of their own Chinese language. At this point an amusing thing occurred: records of entrance examinations were brought forth and it was discovered that the lowest marks in the university in Chinese were, first those of medical students and, second, those of students in the Chinese Department, while those of the English majors were considerably above the rest. Such incidents as this helped to make superficial critics rather wary of getting out beyond their depth.

For hours on end fundamental difficulties were wrestled with. As, for instance, in the Department of Foreign Languages, the dilemma caused by the sheer limits of the student's time and energy. How can he master the culture and language of a Western country and still master his own language and culture so as to be qualified, for example, to represent his country adequately as consul or ambassador? Similar questions confront the student of medical sciences and techniques. How can he master these and still gain understanding of culture and of human nature so that he may be an educated human being as well as a professional specialist?

A Real "Revolution"

Wall newspapers and written questions in the general assemblies compelled university administrators, deans and professors to explain and justify procedures, expenditure and teaching methods. "Pooled ignorance?" It was exactly the opposite. Never before in the history of this university have responsible persons

Agrarian Reform is First Step

The Northeast, China's industrial heart, offers concrete evidence of what agrarian reform will mean once it is completed throughout the country.

* * *

IN the relatively short period since land reform was inaugurated in the Northeast the peasants there have become the biggest customers of industrial goods. A few years ago the Northeast peasants were quite content to have black cloth for winter and white cloth for summer wear. However, beginning last year, the peasants criticized the government companies, calling them "black and white" companies, because they were unable to satisfy their demands for cloth of different colors and finer quality.

All over the Northeast rural areas are to be found visible signs of growing prosperity. New houses, a greater number of draught animals, and well-dressed men and women are all unmistakable signs of the new days which have come.

There have been many factors contributing to the prosperity of the Northeast peasants aside from actual ownership of the land. These all add up to government financing in the purchase of efficient farm tools, mutual aid arrangements among the peasants, reduction of taxation and the establishment of government trading outfits whose duty is to look after the interests of the peasants.

The need for land reclamation has served as a great stimulant to the mutal aid movement, whereby various peasants in one neighborhood pool their resources. For example, in the preliminary ploughing of virgin soil sometimes as many as six draught animals are necessary. Also, mutual aid groups are given priority use of modernized agricultural machinery loaned by the government.

* * *

TAX reductions have been an important factor in raising the peasants' standard of living. Last year they paid only 2,300,000 tons of grain in taxes as compared to 8,000,000 under the Japanese occupation. Further reductions are set for this year.

The peasants of the Northeast this year have surplus grain to sell to the government. It is officially estimated that the output of grain for the current year will amount to more than 18,000,000 tons—an increase of 3,500,000 tons over last year.

This surplus means that the traditional food shortage before harvest has vanished. Before land reform it was commonplace for the peasants to suffer food shortage between June and July.

* * *

THE experiences of two individuals, which were recently described in the local press, suffice to show the difference between the new and old. Tsao Fu, a peasant in Sunkiang province with a family of six used to be short of food for three months every year. This year he had 750 kilograms of grain on hand in July. Another peasant, Tung Lan-chen, was a beggar for 10 years before land reform. Now he has half a ton of grain stored in his grain bin.

With land reform in east China, south-central China and southwest China to be completed within the next three years, millions of Chinese peasants, who never owned more than enough to keep alive, have seen the future from the results in the Northeast.

had so full an opportunity to explain their methods and aims and problems. This is rock-bottom revolution.

One of the university workers (they used to be known as "servants" but are now called "work-friends") chaired one of the general assemblies when questions were being handed up for answering and discussion by the president. I happened to be time-keeper during this session. When one paper with four questions on it was being dealt with by the president, the time was up but I hesitated to ring the president to a stop. "Give him a chance to deal with all those questions," I urged. But no, I was told. He, like the others, must keep within the agreed time limit *unless the chairman, following the wish of the audience,* should waive the regulation. Our worker-friend at this point, receiving and reading the questions, kept quiet, firm and good-natured control of the situation, helping the president to restrict concrete answers to a limited time. All this made for clarity, succinctness and a feeling of absolute fair play.

* * *

Role of Christianity

AN interesting comment on the mood of the students in this Christian university was seen in the vote on whether the Division of Religious Studies should continue as a division or not. Forty-three groups voted for continuance of the present arrangement, while 16 groups voted to reduce religious studies from its division status.

Another indication was seen in the handling of the question as to whether we should continue our traditional practice of presenting each graduate a Bible. One missionary remarked: "The day for giving out Bibles has passed." The matter was taken up with the Students' Union, which approved the plan of writing to each graduate, asking if he would accept such a gift, and enclosing an addressed envelope for reply. To the amazement even of the optimists, almost 95 percent of the graduates replied requesting a gift of the Bible. The tenor of their letters was equally striking. In substance, many said that although they were not Christians themselves, they had been impressed by the influence of the Christian spirit on the campus.

On Baccalaureate Sunday, the central theme of the service was the "Responsibility of the Christian Trained Mind for the Making of the New Society." At the end of the service, more than 180 graduates passed out by a large table near the door and picked up a package wrapped in red containing a Chinese Bible, and other works.

One could draw many conclusions from this 10-day university conference. At least two that I believe may be justifiably drawn are: First, there is no fundamental antipathy either to a religion or to a Christianity which is genuinely *for the people* and, second, the continuing presence of Western staff *who are for China and her people* is welcomed.

— *DRYDEN LINSLEY PHELPS*

Shanghai Restaurants' New Policy

Switching from banquets for bureaucrats to "quick lunches" for the average citizen, Shanghai's restaurants have found an answer to their early post-liberation depression.

SHANGHAI'S restaurants, which run into the thousands and serve food in the style of nearly every province, as well as countless varieties of Western food, have taken on a new look.

Before liberation it was often necessary to book a table at one of the larger restaurants a day in advance because of the large crowds of KMT bureaucrats, military officers and local speculators who entertained their friends and patrons with 20 to 30 course feasts each evening. In the old days it was not uncommon for a prominent businessman or high official to attend several dinners in one evening, dropping in and having a cup of wine and tasting a few dishes at each of the dinners to which he had been invited on the same evening.

* * *

TODAY, however, with the bureaucrats and militarists and their hangers-on, plus the market speculators, a thing of the past, Shanghai's restaurant trade has changed its business policy. While a number of the old, well-known restaurants, such as Sun Ya, Snow Garden and others still manage to operate more or less as usual, catering to the city's wealthy residents, the majority of the formerly high-priced eateries have simplified their menus—and reduced their prices—and now concentrate upon middle and lower class pocketbooks.

While this change is natural enough and in keeping with the general trend toward austerity and serving the common people, it was not made altogether painlessly. The managements of a number of the older, more conservative establishments refused to face the new situation and preferred to liquidate. In fact, during the four months immediately following Shanghai's liberation, the departure of the Kuomintang-sponsored luxury traffic was so keenly felt that some 800 restaurants closed their doors.

Some of these unfortunate establishments which liquidated when pessimism among the upper class restaurant entrepreneurs was at an all time low, ended up with truly bare cupboards. One local restaurateur who was convinced that his business had no future and who was determined to liquidate as quickly as possible finally had to sell his place piecemeal, even down to the coat and hat racks, because he was unable to find anyone willing to buy the restaurant as a going concern.

Since then, however, a number of these have reopened and, like the majority, are serving moderate priced or cheap meals. A few of these restaurants closed when their owners, seeing the end to the old boom days, decamped. In some such instances the employees reorganized the restaurants into cooperatives and began serving cheap meals. In most of these cases, funds were set aside each month out of the profits and held for the owner, if and when he returned. Some of these owners have since returned and resumed management of their establishments.

A number of restaurants which experienced hard times in the immediate post-liberation period because of the departure of their old, free-spending customers, solved their problems by admitting the workers into a partnership with management, or by setting up a management committee to which the workers were allowed to nominate a member.

In several restaurants in which such arrangements have been made, losses have been turned into profits. One explanation is that several heads are better than one, but probably the best is that since the workers' jobs depend upon the success of the establishment, they tend to become extremely resourceful once a share of the burden is placed upon their shoulders.

In one restaurant where a joint management committee was established the workers prevailed upon the reluctant owner to remove a lace curtain across the front window which had become a trademark of the place but which prevented passersby on the street from looking in. In the place of the curtain the workers stuck posters, advertising various selections of cheap lunches. Business immediately picked up and the restaurant is now in the black once again.

In Shanghai's business districts, literally hundreds of restaurants are now specializing in "quick lunches" which consist of one dish, rice and soup. An example of this type of restaurant is the "Jeep." Originally opened shortly after VJ Day as an American-style night club designed mainly for the GI's, UNRRA personnel and others, it fell on hard times following liberation. Today it packs them in every noon—even on the old band stand—with its lunches which range from around JMP6,000 to JMP12,000 or more for special meals.

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IN addition to those restaurants which specialize in serving the small businessman and clerks, there are a number of so-called mass feeding establishments which serve extremely cheap meals to workers and lower paid office employees.

Like so many other lines, Shanghai's restaurant trade is finding that it can carry on—sometimes with considerably more than average profit—once it adapts itself to the changed conditions. The days of fabulously expensive—and highly profitable—two and three hour banquets are gone. The future for Shanghai's restaurants, as an increasing number are discovering, lies in a quick and large turnover with a relatively small margin of profit per sale.

US Adventure in Korea Backfires

TWO months of armed intervention in Korea have brought out two glaring weaknesses in the American war machine for all the world to see. One has been the heavy and militarily unsound — and psychologically disastrous — reliance upon wanton bombing of civilian areas. The other has been the lack of enthusiasm and fighting spirit of the American officers and men, a considerable number of whom, after being taken prisoner, have publicly condemned the US action.

A harvest of hate is already being reaped by America as a result of the heavy raids carried out by the US Air Force in Korea. While American land forces have been unable to stem the advance of the North Korean People's Army, the US has increasingly resorted to widespread and indiscriminate aerial bombing. The lessons to be drawn from Japan's war in China and from the battle of Britain during World War II—that mass, indiscriminate air raids only stiffen the people's will to resist—apparently have not been learned by the American high command.

* * *

KOREA is not a highly industrialized country and the vast majority of the targets which the American airforce have so thoroughly plastered have been small villages and towns which housed not one single industry having a direct or indirect bearing upon the country's war potential. Even in those towns which do have industrial establishments, the result of the saturation bombing has been to destroy dozens or hundreds of houses, schools, hospitals and public buildings for each factory bombed. For example, when Phyongyang, the capital of North Korea, was raided in the first days of the war, large numbers of bombs were dropped on the residential areas of the city, while the streets—which could hardly be considered military targets—were repeatedly raked with machinegun and rocket fire.

Just such a raid as this was carried out on Phyongyang on July 4—America's independence day—when fighters strafed a crowd of people running for an airraid shelter. As a result of such raids more than 1,200 dwellings were destroyed, more than 1,000 houses heavily damaged and the People's Hospital and a number of the buildings of the city's polytechnical institute were wrecked.

The town of Wonsan was systematically raided during July and hundreds of tons of bombs were dropped by American planes. On July 30, during a saturation raid, a rice elevator was set on fire. After the planes departed, the townspeople tried to get as much of the rice out of the burning granary as possible. As the people were crowding around the building two American planes reappeared and machinegunned the crowd. Most of this town now lies in ruins and casualties have passed the 4,000 mark.

As American ground forces have been pushed back, the territory to bomb has become larger. Innumerable villages and small towns in both North and South Korea have been laid waste. Such "targets" as the district center of Wonju in south Kowon province, the village of Denpoao in Kengi province and the town of Phenthek in Kengi province have been heavily bombed.

Even peasants cultivating their crops have learned to fear and hate the American airforce. In Hwase province, four American planes killed 10 peasants at work in the fields, while in south Phyongyang province six planes machinegunned the village of Munari four times and killed 15 people. On July 5 American planes strafed a group of women and children washing clothes in the Senchian River near Hamhyn. Twelve were killed and 14 wounded.

Cloudy and rainy weather has not been a deterrent to the bombers. Operating with radar, which will distinguish a city from a rice paddy, but not a munitions factory from a rice mill, the bombers do even more "effective" work in bad weather as they can get closer to their targets without increasing the risk of anti-aircraft fire or fighter interception.

An eye-witness account of the bombing of Wuson on a dark day tells of bombers circling at will and occasionally dipping beneath the clouds as they leisurely plastered the city. For three days this city was bombed. In the course of one three-hour morning raid more than 500 heavy bombs were dropped. Behind the bombers came fighters strafing with machinegun and rocket fire, blasting into the turmoil caused by the explosion of the heavy bombs. In addition to more than 1,200 human casualties, direct hits were scored on the Red Cross hospital, a sanatorium, the city's largest girls' school and a boys' primary school.

Continuing, the eye-witness account reported: "In one congested workers' quarter an acre of ramshackle houses had been laid level by a giant bomb. Men and women wandered listlessly over it, poking among the rubble of their homes for bits of property. Over it still hung that smell of bombardment and death which is the same in any country."

* * *

THE effect on the people is illustrated by the words of a worker, Wan Wun Chu, whose wife and two children were killed while he was at work. "They are dead and I cannot call them back. If I die it is little now. But I would give my last drop of blood to get revenge and drive these murdering dogs from our country. They tell me my place in the fight is in production and I will work my fingers to the bone to produce more for the army."

Even America's "friends," the South Korean troops, have not been able to escape the aerial onslaught. In the panicky retreat from Seoul, American planes were reported to have wiped out 7,000 of Syngman Rhee's troops as they tried to flee across the Han Kank bridge.

Certainly no greater damnation of the American air force in Korea has come than that from the American prisoners of war who have seen—and felt—the air force in action. One prisoner, Corporal Herman Graff of the 24th Division, has had some experience with American bombing. Graff, who comes from Crystal City, Missouri, said: "They're bomb-happy or trigger-happy or something. Back in Taichun, we asked for POW to be painted on the roof of our building but the Koreans said, 'if you want to be bombed we will paint it for you but we advise you against it.' I guess they were right. If they painted POW on our roof here I would ask for a transfer after what I've seen of their bombing."

* * *

PRIVATE Rueben K. Kimball Jr. of Baytown, Texas, has had even more experience. Kimball was a member of the 8,054th medical evacuation hospital based at Fusan until he was captured together with Philip Dean, correspondent of the *London Observer*. The words of this private in the American army are an indictment no amount of official explanation can wipe out. Talking about American bombings, Kimball said: "Have you seen what those lousy bastards are doing? Have you seen the villages—miles from anything like a military objective—flat as a field? Have you seen them shooting peasants working in the fields and strafing little cottages not big enough to hold a cow?

"Look at what happened to me coming up from the south. There were six of us prisoners and two Korean guards walking along a road in a single file, miles from the front and going the wrong way. There was a guard in front and one at the back, six of us GI's in the middle and over comes an F-80. We stick our hands up, high as they would go and wide apart—no helmets, no guns, guard back and front—couldn't be anything but prisoners and that . . . came in at 500 feet and killed the middle three. I was lucky, but after that no one trusted to luck.

"A pilot told me back in the rear, their orders were anything that is moving—stop it! Anything that's stopped—move it! I thought he was fooling then. I don't think so now. Later one of us three was sick so they sent the two of us on with one guard. There we were one day, resting in a little straw-roofed shack with nothing round for miles except a few peasants working in the paddy fields and along comes another F-80—you know those things; you hear the machine-guns before you hear the

— Militarily and Psychologically

engine. So what does he do? Slings everything, has a go at that little hut in the middle of nowhere, 50-calibre gun, 20-millimeter machineguns, two rockets and one parachute delayed action bomb. He missed with everything and the bomb didn't go off.

"Coming through I saw nine peasants dead in one field where they were working on the rice and three more in another. I guess the air force is just trigger happy. What sort of war is this where you leave military targets alone and go around bombing a lot of villages and shooting up the peasants? We took no chances after that. As soon as we heard a little noise in the sky we hit the ground. Boy! How I love those rice fields. Never mind that water, never mind the slime. I go right in flat, and stay in deep as I can get when those flying . . . come over."

The first-hand experience this one American private has had with his own air force is a clear indicator of the methods being put into practice by the Americans in Korea. The incidents he describes, multiplied by the thousands, are making the name of America synonymous with that of the Japan of a few years ago.

Two British scientists with extensive experience in the Orient have recently expressed themselves as believing that millions of Asians will turn against America because of the air raids being carried out in Korea.

In a letter to the Times of London, Dr. and Mrs. Joseph Needham said the impression being given in many Asian nations is that the most highly industrialized country in the world seeks to destroy the beginnings of industrialization in Asia. They stated that they were afraid the whole present policy of the Occidental powers in east Asia is sowing a harvest of hatred which will ripen in the years to come.

Dr. Needham, who is scientific advisor to UNESCO, and his wife said in their letter, "What we are anxious to point out is that the Americans and their supporters have got themselves into a position in which they must seem to be, in the eyes of the masses of Asian people, implacably opposed to the relief of their poverty and the advance of their science and technology."

* * *

LESS than two months after the outbreak of war in Korea the American forces and their South Korean allies had been driven out of 90 percent of southern Korea by the Korean People's Army. Even the vastly numerically superior US air force has not been enough to make up for the determination of the North Korean land forces and the apparent lack of will to fight on the part of American troops.

The American military command has made many mistakes in planning its Korean campaign. Aside from underestimating the Korean nation's determination for unification, the biggest error was in relation to the US troops themselves. Though equipped with the most modern weapons, the American soldier has been no match for the Korean bent on fighting for his own land. In many cases Americans sent from Japan had been told by their officers that there would be no fighting or if any it would be quite easy. Disillusionment in the ranks has set in in many instances, particularly after seeing the determination with which the Koreans are fighting.

* * *

FOR prisoners of war the truly aggressive nature of the American campagin has been brought home by what they have seen — ranging from the rotteness of the Syngman Rhee regime, which brought on the almost complete and immediate collapse of the South Korean army, to the treatment they have received from the North Koreans. In view of the general lack of political awareness on the part of American soldiers, the number of both officers and men who have publicly denounced America's action in Korea is astounding.

Some examples of comment have been: Major Charles T. Barter of the 63rd Field Artillery Battalion who hails from Mount Vernon, Indiana, and who has been in the army 19 years, said. "I made up my mind when I was captured not to listen to anything these people told me. But you do not need telling, you can see for yourself. I saw it all the way along and I am sick in my heart at what our people are doing . . . the southern Koreans want to go with the North and the further south the Korean People's Army goes, the more people they are going to get. Not a man or woman supports Rhee...."

Major L. R. Dunham, who is from New Hampshire and who has been in the army nine years, said, "I've seen enough coming up from the south to tell me that the Americans know they are licked and they are just trying to smash the place up and kill people. These people in South Korea hate the government they have had for the last five years."

Second-Lieutenant A. H. Books of the 24th Division was one of the captured Americans who broadcast to the American troops fighting on in Korea. He said: "From my observations since my capture, I have come to the conclusion that the Korean people are fighting a civil war, so that once again their country may be united into one. If you remember, we also fought a civil war back in 1860 so that our country could be united. . . . If we had not interfered in the Korean civil war, it would now be all over and Korea would once again be united. That is what the majority of the people want. The South Koreans have not supported Syngman Rhee's army at all. This is a fact I did not know, and many Americans still do not know."

First-Lieutenant R. E. Culbertson saw no reason for the US action in Korea. Following his capture, he stated, "The Korean government did not attack the US. There was no reason for the US to send troops and planes to Korea. The Korean people are bitter toward the American government for intervention, yet we prisoners of war are being treated well."

There have been many more American prisoners who have broadcast or have been interviewed by correspondents and they have continued to express their opposition to America's involvement in Korea.

The best answer to why America's mechanically superior war machine has been defeated time after time in Korea was given by Kim Ir Sen, chairman of the Council of Ministers of the Korean People's Republic. He told the correspondent of the French newspaper. *L'Humanite*, "What are the American troops in Korea fighting for? To enslave the Korean people and put them under the heel of the American monopolists. The American army in Korea is fighting an aggressive war, an unjust war. This kind of war is not necessary for the American people and the American soldiers. Therefore it is not strange that the American soldiers fight badly in Korea, and surrender to the People's Army by the hundreds."

* * *

ON July 17, *Hsinhua* published the text of a joint statement of 115 American prisoners of war in Korea. This statement was broadcast by Sergeant Floyd A. Roy of the 21st Regiment of the 24th Division. The text of the joint statement read as follows:

"We were 115 American prisoners of an undeclared war. Thirteen of our number are now in a Korean hospital being treated for serious wounds. One of the severely wounded has died. We, as prisoners of war, are being treated in a most humanitarian way.

"We were moved to Korea with the explanation that we were to help the supposedly freedom-loving South Koreans to defend their Republic and restore peace and order.

"Upon our arrival in South Korea, we noticed that the majority of the South Koreans indicated a strong desire to unite themselves with North Koreans in order to create a unified and independent nation. They have clearly demonstrated that they want to be left alone to settle their internal problems themselves, and that they hate foreign intervention in Korea, bearing in mind that foreign interferences have been the cause of trouble to the Koreans for centuries.

"In view of these desires of the Korean people, it is the belief of this group of prisoners that all foreign elements be immediately removed from Korea and the Korean people be permitted to resolve their own internal problems."

A Short Story by Chai Shu-lei

Her Own Mother

Translated by Max Bickerton

This story, by an almost unknown "village writer," Chai Shu-lei (翟樹雷), was published originally, as was Ku Yu's "New Things, New Ways," in the magazine *Hopei Literature*, and reprinted, together with Ku Yu's story, in the Peiping *Jen Min Jih Pao* in March. It was very favorably received for its fresh treatment of the age-long mother-in-law problem, and has been recently republished in a volume, with another story by the same author, called "Sisters-in-law," and Ku Yu's "New Things, New Ways."

JUST when Hsiao-kuo was about to give birth to her baby, unfortunately her mother-in-law fell sick. Hsiao-kuo's husband, Shuang-ch'uan was a cadre, working in the district office, and for several days couldn't find time to come home and see how things were going. Hsiao-kuo's mother-in-law, therefore, asked the father of Hsiao-shun, their neighbor who lived in the next courtyard, if he would mind harnessing his cart and going to get Hsiao-kuo's own mother to come and look after her during her confinement.

Unlike her mother-in-law, who lived in an old liberated area, which had been an anti-Japanese base during the War of Resistance, Hsiao-kuo's mother lived under the wall of a town which was reckoned as a newly liberated place. She was a widow, and being very hard of hearing, very seldom got any news of what was going on around her. In spite of the fact that her town had been liberated for about two years, she had grasped almost nothing of the new state of affairs. This was the first time she had come to stay with her daughter.

This was Hsiao-kuo's first child, and the delivery was difficult. She had continuous griping pains in her stomach, and her head ached. Her mother cooked two eggs for her to eat. As the old woman sat beside Hsiao-shun's mother at the head of the *k'ang*, watching the labor pains, she could not hide her anxiety. The other woman tried to comfort her, saying, "It's always like this with the first child. Don't be alarmed!"

Hsiao-kuo's mother sat with her daughter all through the night, till the lonely hours of the morning, when the child was finally born. Hsiao-shun's mother came in to help her, chattering away as she tidied up the dirty things on the *k'ang*.

"That was really an easy delivery. When I had Hsiao-shun — he was my first child — I did have a time of it. The labor pains went on for a whole day!" Hsiao-kuo's mother gave no response, but kept her sour, pouting expression, looking as if someone had done her out of some money. The other woman knew that she was deaf, and so tried shouting.

"Hsiao-kuo's mother-in-law has been looking forward to the baby so much. It's grand, now it's come." After she had made everything clean and tidy, she went over and examined the baby carefully. "It's beautifully formed; nice eyebrows and big eyes." Sitting beside the stove, poaching some eggs for her daughter, Hsiao-kuo's mother kept up her continuous muttering. The other woman listened carefully, trying to catch what she was talking about, but finally interrupted her, saying, "Hsiao-kuo's mother-in-law is a very sweet-tempered soul—she treats Hsiao-kuo just like her own daughter. I've heard her say to other people, 'Since we've been given land, we've had food to eat, clothes to wear, and a place to live, and now my son's been able to marry, and I've become a mother-in-law! But I mustn't be like the old type of mother in-law. Times have changed. The young folks progress very quickly, but it takes a long while for old ones like us to change!'" Looking steadily at Hsiao-kuo's mother, she added, "The young brides of today have a very different time of it from what we did when we were married. These young people are really lucky."

After Hsiao-kuo's mother had fed her with the eggs, Hsiao-kuo said to her, "I feel a little queer inside."

"Those eggs will settle your stomach," said Hsiao-shun's mother, and then, seeing there were no other jobs to do, added, "I think I'll go home and have a rest for a bit. You have a rest too: you haven't closed your eyes all night."

By now it was quite light. Hsiao-kuo closed her eyes and soon began to snore lightly. Under the bedclothes, the new-born baby kept wriggling around, puffing and blowing and whimpering softly, but at last it too seemed to have dropped off to sleep. Only Hsiao-kuo's mother was left, unable to sleep no matter how she tried. Boiling with anger, she tossed and turned on her bed, a prey to wild fancies and resentments. "How can people behave like this?" she said to herself. "When the girl's time comes, not a single relative even bothers to cross the threshold, and nobody even troubles to ask if we need anything."

* * *

TWO days later Shuang-ch'uan came back from the district. His mother sat up on the *k'ang*, her hair all disarrayed, her cheeks a waxen pallor. "Are you feeling any better, mother?" he asked as he looked at her tenderly.

"Thank you, I'm almost better. I can eat now." Her son seemed glad to hear this, but added, "When you get better, you must take it easy for a while."

Noticing the pleased expression on his face she said, "You know the night before last your wife gave birth. You had better go and see them. I haven't been able to do anything for her because of my illness, but I'd got everything ready beforehand and her mother's with her. So run along now quickly."

Hsiao-kuo's mother was just making her some rice gruel when she heard someone pushing at the door. Knitting her brows, she called out, "Who's there?"

"It's me," replied Shuang-ch'uan, outside the door. The old woman got up quickly, removed the chair which was propped up against the door and opened it. Seeing her son in-law, she looked as if she wanted to stop him coming in.

"It's not good for her to see strangers soon after the birth."*

"Who believes in old superstitions like that?" said Shuang-ch'uan, smilingly brushing her fears aside. After a pause, she turned to him and said, "I'm sorry, it's a girl!"

"That doesn't matter," replied Shuang-ch'uan. "These days it doesn't make any difference whether it's a girl or a boy."

He then started to ask about all that had happened during his absence. Now that she had him face to face, all the grievances that she had been keeping bottled up inside her came pouring out. "Huh, I've never in all my life seen a delivery like this! The poor girl lying there on her *k'ang* and not a soul coming near. You away from home—I won't say anything about that—but wasn't there anyone else who could come in your place?"

"It all happened at a very bad time," explained Shuang-ch'uan, "My mother has been sick. Otherwise of course she'd have been here."

"A very bad time indeed," sniffed his mother-in-law, as if she didn't believe a word he said. "Everything left to an old body like me! All the work in the house and outside, trotting here and trotting there. And then let me tell you, nothing was properly prepared, and furthermore. . ."

"That's enough, that's enough!" said Hsiao-kuo from the bed, and then shouted into her mother's ear, "Mother, please go and get that oil-cloth sheet that's hanging in the yard."

"All right," she replied, and went out."

"Why is your mother always so bad-tempered?" asked Shuang-ch'uan.

"I don't know; she's so deaf that she's never attended a single meeting in all her life...she only knows all that old stuff," replied Hsiao-kuo. "She's really hopeless!"

"Were you really short of things?" asked her husband.

"No, of course not," replied Hsiao-kuo, "A month ago your mother got in a good stock of food. Don't take any notice of my mother's grouching. She's a silly old fossil. She can't believe that a mother-in-law can be as good as your own mother...but

*According to the Chinese belief, visitors can see the mother and child within three days after the birth. After that, no visitors are allowed for a month for fear the mother's milk may dry up.

Emancipation of China's Women

The women of China, long held in bondage by feudal customs, bought and sold like chattels, are now on their way to independence. The new marriage law has begun to free women from the tyranny of parents and husbands, and widely-representative women's organizations are devoting themselves to the construction of a new nation.

* * *

THE first Shanghai Women's Representatives' Conference opened in Shanghai on August 12 for a six-day session. It was attended by 2,000 representatives of 300,000 organized women, nearly a quarter of the 1,500,000 of the city. Representatives included peasant women, students, welfare workers, and cultural, cooperative, scientific, technical and YWCA workers.

The conference discussed how women could best participate in the immense task of national construction and in raising the cultural level of Shanghai's women. Deputy Mayor Pan Han-nien, adressing the conference, pointed out that production was the basic task of the women of Shanghai. Therefore, he said, more women should be organized for work in factories and should learn from working women what the labor viewpoint means.

The conference sent its greetings to the Korean Democratic Women's Federation on the fifth anniversary of Korea's liberation. The message condemned American aggression in Korea, especially the savage U.S. air raids.

The Shanghai Democratic Women's Federation was formally inaugurated on the final day of the conference, after more than a year of active preparation. The federation is composed of more than 300,000 organized women, including more than 162,000 professional and working women, 70,000 peasant women, 32,000 students, 8,000 teachers, 4,000 government workers and 20,000 housewives.

In a recent working women's conference in Fukien, women were also reported to be enthusiastically supporting the PLA, entering into production, and forming study classes. In the old Soviet areas, women had already produced 63,000 pairs of shoes for the soldiers.

In Kwantung, the first Women's Representatives' Conference was held in June, and included representatives of many groups and classes. Women are cultivating wasteland in various parts of the province, and worked side by side with men in dike repairing.

Li Li-yung, a 64-year old woman delegate to the conference, who had herself sent her four sons to take part in guerilla warfare, said, "This is what we sacrificed our loved ones for, to be able to build our country in freedom. Let us now do it. Let us not spare ourselves in helping to produce."

* * *

Since the promulgation of China's new marriage law on April 13, many young people have found the course of love made smoother. The law outlaws forced marriage, the sale of girls, concubinage, child betrothal, interference with the right of widows to remarry, and the exaction of money or gifts for marriages. The marriage law paves the way for a revolutionary change in the relations of men and women.

And the law has begun to work, to judge from the number of litigations growing out of feudal marriages that have been brought to the people's courts, most of them by women.

New marriages are now being contracted on the basis of affection and free choice, and no longer are young people in love forced to conceal it from their parents. Many young women, having received land, or working in factories, are economically independent and are free to choose husbands for other reasons than their wealth.

For example, a young peasant girl in the Northeast fell in love with a young hired farm laborer. Her mother objected to the man because he was poor, and tried to prevent her daughter from marrying him by demanding of him the traditional expensive wedding gift.

But the girl said to her mother, "Why do you demand marriage gifts? You only want to sell me, but I love him because he works hard and studies too. Although he's poor, he'll make a good husband."

Two stories from Shanghai illustrate the new equality between men and women guaranteed by the marriage law.

In 1940, a couple were married at the wish of their parents. They had been total strangers before the marriage, and afterwards the wife was unhappy. Her mother-in-law was particularly harsh to her.

Five years later, the husband went to work in the Kashing railway station, and there took up with another woman. Accompanied by her small son, the wife went there to find her husband, but was assaulted by him and his mother. She then went to live with her mother, taking her son with her.

When the husband filed a suit charging his wife with desertion, the court found that he had not only violated the law of monogamy, but had also oppressed his wife, and was given a six-month suspended sentence for adultery.

Another divorce case concerned a working couple, who had been only slightly acquainted before their marriage three years ago. After marriage, the couple quarreled frequently and the wife was made miserable; they lived together only a year.

After liberation, the wife learned that marriage is contracted only by one's free will. She applied for a divorce, which was granted after attempts for an amicable settlement proved unavailing.

how is your mother? Is she feeling better?"

"Much better," replied Shuang-ch'uan, and then coming over to the *k'ang*, he gently pulled down the bedcovers a little, and flicking the baby's cheek with his finger, said, "It's so big!" Then covering it up again carefully, he went and sat on the chair.

Hsiao-kuo's mother came back with the sheet, threw it on the *k'ang* and started off on her mumbling again. "How can one person be expected to do everything! A delivery isn't like ordinary times...I've never seen anything like this....."

"Mother, you're crazy!" said Hsiao-kuo from under the bedclothes, not exactly in anger and not exactly in jest. "If you're not satisfied here, you'd better go home. I'm ashamed of letting people hear you grumbling like this all the time. How can you know what people are like when you've hardly ever been here? You mustn't judge people with old eyes all the time."

"If my mother hadn't been sick, she'd have been here," repeated Shuang-ch'uan. "You don't know how worried she is about it all." Seeing his mother-in-law's mournful expression he continued, "My mother is not one of those people who just lets things slide. I wish you could appreciate her good qualities. You can't....."

Before he had time to finish, the old woman interrupted, saying, "Enough, enough. Say it's all my fault then, if you like," and she began to weep bitterly. Wiping the tears with the hem of her dress, she added, "What do you young people know about these things? For generations and generations they've been done in a certain way." Shuang-ch'uan pacified her as best he could, and stayed on until her tears had stopped.

* * *

TWO days later, Hsiao-kuo's milk had still not come properly; she only had a few drops, not enough to feed the baby. Her mother-in-law therefore sent for her own daughter, Yin-feng.

Yin-feng and Hsiao-kuo were very good friends, and when Yin-feng heard that her sister-in-law's baby had no milk to drink, she said to her mother, "My baby is old enough to eat solid food now; I'll wean him, and let Hsiao-kuo's baby have my milk. As soon as her milk starts to come, then I can go home."

Her mother was delighted to hear her say this. "That's the very reason I sent for you. If we have to find a wet nurse for her, it won't be so good for the child and it will cost money. This way saves a lot of trouble."

Hsiao-kuo's mother, however, on hearing of Yin-feng's arrival, did not take at all kindly to the idea, and said to her daughter, "Are you going to let *her* suckle your child? They even grudge paying for a wet nurse! This is the meanest family I've ever seen."

But Hsiao-kuo was overjoyed at the news. "It's wonderful she's been able to come. One of your own people is much safer. Mother, you don't know what good friends we are!"

Her mother gave a grunt, and then turning on her with an expression of mixed anger and scorn, said, "You silly girl, you're so simple you think everyone is good. Who's ever heard of a *good* sister-in-law? Your mother-in-law only called her in to save money, didn't she?"

"Mother, how can you talk like that? You....." Before Hsiao-kuo had finished her sentence, someone pushed open the door and came in. As soon as Hsiao-kuo saw that is was Yin-feng, she called out, "Sister, you've come!"

"Yes, I'm here. How are you?" replied Yin-feng, climbing up onto the *k'ang* to look at the baby. "Come to me, darling," she said to the baby, taking it up in her arms. "I'll feed it straight away." Watching her as she suckled the child, Hsiao-kuo asked "Where is your boy?"

"I left him with my mother-in-law," replied Yin-feng, "He's big now and can eat solid food." As she fed the baby she chatted away with Hsiao-kuo about various things—about production, and about the winter-school.

"Now I've got a baby, I won't be able to help much with production," said Hsiao-kuo.

"This should count as production," said Yin-feng, poking out her tongue mischievously. By this time the baby was sleeping peacefully, so she handed her back to Hsiao-kuo, saying, "If you talk too long, you'll tire yourself. Take the child and have a little nap."

Sitting on one side, watching all this Hsiao-kuo's mother had at first been smoldering with anger, but when she saw with her own eyes how wonderfully well the two sisters-in-law got on together, her heart began to thaw, and she was just going to say something when Yin-feng turned to her and said warmly, "You must be feeling very tired these last few days. My mother told me you had to attend to everything by yourself. It all happened very unluckily; my mother getting ill like that gave you so much extra work to do."

"Oh, it was nothing," replied Hsiao-kuo's mother, and then, after thinking hard for something pleasant to say, added "Why should I feel tired? I ought to be willing to do this much for my own daughter. The only thing that was troubling me was that the baby had no milk to drink."

"I've already told mother," said Yin-feng, "that as soon as Hsiao-kuo's milk comes I'll go home."

"What about your mother-in-law?" asked Hsiao-kuo's mother, "Won't she object to you being away?"

"Why should she?" replied Yin-feng with a smile. "Now it's not like the old times! It's much better now. Mothers-in-law think of daughters-in-law as their own children, and daughters-in-law treat them like their own mothers." Listening to her, the old woman by now was feeling so happy that her eyes crinkled up into a smile, and looked like two crescent moons.

Yin-feng chatted on for a while longer and then went back to her mother's room. After she had gone, the old woman turned to Hsiao-kuo and said, "That Yin-feng's nice; she's very understanding."

"Ah-ha," replied Hsiao-kuo, playfully, "Now you're beginning to understand things! Just a few minutes ago you were saying nasty things about her! You just wait until Shuang-ch'uan's mother is well enough to come and see me, and that will open your eyes." Her mother said nothing but just sat there like a block

Welcoming Our Friend

Spies in the Temple — *Yu Ying-*

of wood.

The next day her mother in-law had recovered enough to come and see her. As soon as she got into the room, she said to Hsiao-kuo's mother, "I don't know how I can ever thank you for doing all this for me these last few days."

"You don't have to thank me, it's all the same whoever looks after her," replied the other.

"How are you feeling, mother?" asked Hsiao-kuo, crawling up out of the bedclothes. Her mother-in-law came up close to her, had a good look at the baby girl and then carefully covered it up again.

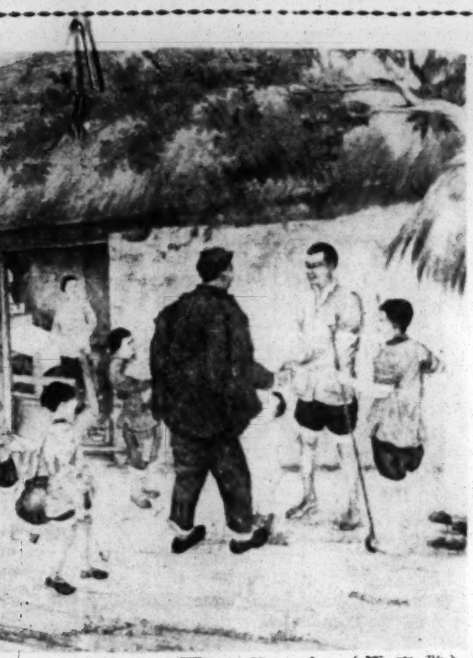
"You haven't got your color back yet," said Hsiao-kuo. "You must take it easy for a few days more."

"As long as you and the baby are all right that's all that matters," she replied. "The only thing I was worried about was that you might not be well after the birth." And then, turning to Hsiao-kuo's mother, she added. "We are both too old to be of much use. We must get our happiness by watching how well the young people are getting along. Don't you think so?"

And then, for some strange reason, although Hsiao-kuo's mother did not answer a single word, she now felt drawn very close to the other old woman.

Best Paintings of the Year

PROFESSORS and students of the National College of Fine Arts, in Hangchow, having returned from their field trips to factories and farms (see the *Review*, March 3), spent five weeks in creative work. Four of their best paintings are reproduced here. The College considers them among the best because of their artistic merit and their reflection of the actual life of the people in the new China. These and other paintings are being exhibited in Shanghai, Peking and other cities, and will be shown in the forthcoming autumn Chinese art exhibition in Moscow.



— *Wang Kao-shao* (王克劭)

"Welcoming Our Friend" (upper left) shows a uniformed village worker warmly welcomed by the peasants as a member of the family—a great difference from the old days, when the peasants hated and feared the local KMT officials.

"Spies in the Temple" (lower left), is by a five-year student of the college who recently graduated. He is considered a most promising artist. The painting depicts the dramatic moment when PLA soldiers discover a KMT spy ring hidden behind a temple "front."

Analysis of Class Status — *Nyetai* (倪貽德)

"Analysis of Class Status" (upper right) is an example of a popular subject: the meeting. The artist, who attended many such gatherings, explains that the man in uniform has been sent to the village to organize the peasants. The meeting shown has been called to fix the villagers' class status, whether landlord, rich peasant, middle peasant, or poor peasant.

Yu Ying-ch'uan (余吟川)

"Dancing on the Way to Night School" (lower right) is by a well-known creator of woodcuts. The scene shows a group of people in a newly-liberated village, eager to learn, happily singing and dancing on their way to night school. Since these schools are located in temples and are not well-equipped, the students take their own benches with them.

Dancing on the Way to Night School — *Chang Yang-i* (張漾兮)

British Face Defeat in Malaya

As a result of military and political set-backs British are relying upon increased repression and foreign aid. However, tide of battle is turning in favor of Malayan people.

IN June 1948 the British began their military campaign to subdue the people of Malaya, who had become restive under the exploitive rule of the colonial overlords and who were demanding a better and fuller life as well as an increasing voice in the management of their own affairs.

Today the British, although employing more than 100,000 soldiers equipped with airplanes, tanks and other modern weapons of war, are further from their goal than they were two years ago.

For the past 30 years there have been independence movements among the native population of Malaya. However, the struggle did not attain full force until the second world war when, following Britain's defeat by Japan, the Malaya People's Anti-Japanese Army (MPAJA) was organized. During the period of Japanese occupation, the MPAJA waged ceaseless guerilla warfare against the invaders and succeeded in liberating large sections of the country.

Plans for Republic

By the time of the Japanese surrender the independence movement had assumed considerable proportions and a program for full national independence had been drawn up which included plans for a democratic Malayan Republic based on universal suffrage and a Pan-Malayan Congress representing all the country's races.

However, the British and their allies quickly moved to forestall this development. British troops were landed to accept the surrender of the Japanese troops and to take over their arms. The MPAJA was disbanded. A month after the first British troops landed Britain signed new treaties with the old Malayan sultans which stated in part: "His Highness the Sultan agrees that His Majesty (the British king) shall have full power and jurisdiction within the state and territory. . . "

Once the MPAJA had been disposed of and the sultans lined up again, the British set to work restoring the old colonial order. By the fall of 1946 rubber production was nearly back to pre-war levels. The "return to normalcy" had almost been effected.

However, it was not long before difficulties began to develop. The British lion, gaunt after a long and costly war, had an insatiable appetite. The average daily wage of a Malayan worker in 1946 was US-$0.50, while the cost of living steadily moved upward. Life had been difficult in 1941, now it was more so. Meanwhile, the worker's share of the profits derived from the sale of rubber, tin, and other products of this fabulously rich peninsula declined both relatively and absolutely.

The workers, who had learned the value and effectiveness of organization during their four-year struggle against the Japanese invaders, reacted to this unsatisfactory state of affairs with an increasing number of militant strikes. The British retaliated by outlawing the unions and by arresting the leaders. By the spring of 1948 it had become clear to the Malayan people that the only way they could get a decent living was to fight for it. In June the MPAJA was resurrected as the MPABA (Malayan People's Anti-British Army). Arms were dug up from jungle dumps and the guerilla warfare which had been so successfully carried out against the Japanese was directed at the British.

While the British have tried by subterfuge and trickery to split the various races of Malaya and to confuse the people, the people have not been fooled. Increasingly, the British have been forced to rely upon military measures in the jungles and upon all-out police terror in the cities.

Despite all their efforts the British are slowly being defeated. How transparent the British "offers" and "promises" are is demonstrated by the statement of Colonial Secretary James Griffiths in Kuala Lumpur on June 2 of this year when he told a group of Malayans: "The battle must be won, for if not there will be no further discussion on political rights or a constitution or any other democratic developments."

Attempts to control the trade union movement through "approved" unions have failed. Since the British authorities outlawed the Pan-Malayan Federation of Trade Unions, which was a member of the World Federation of Trade Unions—the same international body to which Britain's own trade unions then belonged — all efforts to organize a "healthy" union movement have been signally unsuccessful.

Early in 1949 the British called a conference to organize a new national union organization to be known as the Malayan Trade Unions Council (Malayan TUC). However, despite all efforts to promote this new union movement, membership in these approved unions fell from 70,000 to 42,000 during the 12 months of 1949. In view of the fact that the majority of the 42,000 members are government employees, it can be seen that actually worker membership in these yellow unions does not exceed 20,000.

One of the principal reasons why this "healthy" trade union movement has failed to make any appreciable headway among the workers is because the British have made it quite plain that they do not intend the Malayan TUC to have effective power to administer the affairs of member unions, to organize strikes or settle trade disputes, to agitate for wage demands or even to negotiate with management.

Along with the government's schemes to restrict the field of activity of "approved" labor unions, the British colonialists have done their best to squeeze ever greater profits out of the workers by holding wages down while raising prices and by lengthening the worknig day wherever and whenever possible.

During the period January 1948 to September 1949, the average price of rubber was around Straits currency 42 cents per pound. According to statistics compiled by the Pan-Malayan Federation of Trade Unions, the profit made by the rubber plantation owners on one pound of rubber during this period was equivalent to three times the wages paid to the workers for producing a pound. Following devaluation, the price of rubber went up to 56 cents per pound while wages remained pegged at the old rate. The profit per pound of rubber thus rose to the equivalent of five times the wages paid for production of one pound. Later, wages were allowed to go up 12 percent, but this increase hardly altered the ratio. The workers lost ground both in actual purchasing power and in their relative share of the value which their labor produces.

Conditions in the tin mines are no better. Miners receive a monthly wage of about $56 in Straits currency, which is sufficient only for a below subsistence level living. In addition to the low wages, many plantation owners have taken advantage of the impoverished condition of the workers and the presence of British troops to lengthen the working day.

Workers in the cities suffer the same degree of exploitation. Average wages for workers in British government departments and in private organizations in Singapore run from $30 to $50 per month, while $70 is required to maintain a minimum standard of living for a single person. One of the reasons why the British are able to squeeze wages down to a figure which in many cases is actually below subsistence level is because of the widespread unemployment in the country. In Singapore alone there are more than 100,000 jobless.

Joint Statement

In view of the steady deterioration of the position of the working class, it is not surprising that government-sponsored, "healthy" trade unions have no appeal for the Malayan workers. Nor is it surprising that the now underground Pan Malayan Federation of Trade Unions was able recently to write, in a declaration issued jointly with the Malayan Communist Party:

"Although the broad mass of workers in the rural areas (mainly estate and mine workers) are under the military pressure of the British imperialists and living in extreme hardship and fear, they are still firmly and unanimously united under the leadership of the Communist Party, the Liberation Army and the Trade Unions, and they give enthusiastic support to the Liberation Army in the form of funds, materials, manpower, and information. At the same time, they are leading and rallying the broad mass of peasants in organizing the Workers and Peasants De-

fense Corps, in order to carry out destructive activities against British imperialist production centers, transport and communications and to eliminate and punish traitors, reactionary capitalists and contractors, as well as to take concerted action with the Liberation Army.

"Workers in the cities and towns who are under the close surveillance of the British imperialist army and police are similarly resolutely united in carrying out stubbornly and skillfully various forms of underground struggle in order to defend the interests of the workers and to give support to the Liberation Army. They are not only actively giving financial and material support to the Liberation Army but many active elements among them have also gone to the rural areas to join the Liberation Army. In the cities and towns they have organized Workers' Defense Corps and have carried out anti-traitor, harassing and destructive activities in order to strike at the prestige of the British imperialists and their stooges."

* * *

Briggs Plan Fails

ON the military front, the situation is no better as the frequency and scope of the Malayan People's Liberation Army's (as the MPABA is now called) operations are increasing with each passing month. In May of this year the British, thoroughly alarmed, sent a new general with a new plan to Malaya. More troops were called up for the campaign, while mercenaries such as Dyaks and Gurkhas have been sent to the jungles as scouts and trackers.

The new commander, Lieutenant-General Sir Harold Briggs, drew up a new scheme for suppressing the Liberation Army which became known as the "Briggs Plan." Basically it consisted of forming the British troops into a long line stretching clear across the Malay Peninsula. This line was supposed to move straight up the country, sweeping all in front of it. However, the Liberation Army simply reverted to its flexible guerilla tactics and infiltrated through and around the line. As the line moved forward the British found no guerillas, only abandoned jungle camps, while in areas supposedly swept clean by the "line," full-scale activity is going on as before.

The situation has become so serious that a writer in the June issue of the British magazine *Eastern World* reported: "The MPABA is not declining in numbers. It is not becoming demoralized. MPABA documents found by the British are full of self-criticism, admission of defeats and strategic and tactical errors but this in itself, as anyone who has dealt with communists will readily understand, is not a sign of disintegration. Objectivity is not a characteristic of weak-willed, confused and helpless men. Recent operations by the MPABA show more experience, confidence, coordination and boldness than earlier ventures."

Reports reaching here from Malaya indicate that the activity of the People's Liberation Army is expanding. Engagements fought with the British range from small jungle ambushes to sizable battles fought in the course of campaigns. However, in the main the fighting is still largely of a guerilla nature.

Setting Up a Roadblock

A communique describing the setting up of a roadblock gives some indication of the way in which the People's Army operates:

"'Our X Army troops put up a roadblock at the 46th milestone on the Jerantut Road in order to collect food and materials from trucks passing by. At 12:15 p.m. a truck with a full load of coffee powder and oil came down the road. We collected a portion of goods from them. Half an hour later, a truck with a load of rubber belonging to the Kwong Heng Leong firm drove along. Fifteen minutes later a Lian Siong bus also came down the road. Because the proprietor of the Kwong Heng Leong firm is a pro-British nationalist reactionary of Jerantut and the Liang Siong Bus Company is also a reactionary firm, we burned the two vehicles.

"At this point another three vehicles approached. The first was a PWD vehicle, the second and third were merchant trucks. We burned the former and collected a large amount of salted fish from the latter. Another two trucks carrying rice, cloth and oil then came along. We also collected a portion of what they carried. During the collections one of the people informed us that there were two military vehicles, loaded with explosives and with an escort of a dozen policemen, following behind.

"At about 6:00 p.m. the military vehicles appeared but stopped quite a distance away when they saw the smoke of the burned vehicles. The enemy police all got down from their vehicles and ran when we opened fire. We found a dead policeman with a rifle by his side, lying near one of the vehicles when we made a search later. All the rest had fled. We confiscated all explosives and fuses and burned the vehicles.

"It was half past six when we withdrew. The campaign lasted six hours. The people were very helpful and sympathetic during the collection. Some of them even helped us to carry rice. . . ."

The difficulties which the British encounter in tracking the elusive guerillas through the jungle are illustrated by another People's Army communique: "Our unit which was stationed at Kurau went out on a mission. When they reached the edge of the forest, they heard rifle shots which were followed with a blast of machinegun fire. After learning that the firing was from the enemy, they retreated to camp immediately. They waited for the enemy in ambushed sites but the enemy did not turn up that day.

"The second day the enemy advanced by several directions but could not find us. On the contrary, because they were over-excited, they opened fire on their own people. They shot at each other for quite a long time. Results: three British (including one officer), one Malay running dog, and one Malay reactionary Penghulu, who led the way, were killed."

Even when the British soldiers do succeed in flushing a People's Army jungle unit, the results are not always happy, as indicated by the following communique: "Three days after the Balling ambush, the enemy followed up to our camp. . . . An ambush team was sent to attack the enemy by the river. . . . Half an hour after the warning of the sentry, the enemy advanced to the opposite river bank. Our ambush team fired at them with machineguns at once. Many of them fell immediately. After the ambush the enemy turned back and fled. . . . We killed four enemy soldiers. There were no casualties on our side."

* * *

Failure on All Sides

FACED with failure on all sides, the British have become desperate. They are resorting to increasing acts of terrorism against the population. A year ago the British arrested the president of the outlawed Pan-Malayan Federation of Trade Unions, Mr. A. Ganapathy, and hanged him. Possession of arms has now become a crime calling for the automatic im-

position of the death penalty. Just last June the daughter of a well-known Chinese merchant was sentenced to death for having a hand grenade in her possession. Thousands have been jailed under the special "detention" decree which allows practically indefinite detention without charges or trial, while scores have been executed on suspicion of aiding or being sympathetic to the people's movement. Meanwhile, it is reported that British planters have been empowered to lynch "suspicious" Malayans.

Even on the actual fighting front the campaign is becoming more and more terroristic in nature. Increasing numbers of fighters and bombers are being pressed into service to strafe and bomb jungle villages and towns which are not easily reached by ground forces. Like the American bombing of Korea, this aerial campaign has virtually no military significance and serves only to bring death and destruction to the people.

Meanwhile, American aid is being obtained. One scheme provides for the supplying by the United States of Chinese-speaking American technicians who will be given the task of "restoring effective contact" with Malaya's large Chinese population. Another idea, as yet broached only in the press, is to recruit American missionaries with "China experience" for work among the Chinese in Malaya. So far, however, there has been no indication that American mission circles are receptive to such a plan.

From Malaya it was reported on August 14 that US Ambassador John F. Melby, former secretary of the American Embassy in Nanking and now head of the US survey mission in Southeast Asia, accompanied a British patrol hunting guerillas in the Malayan jungle. Melby, whose mission is studying the economic needs of the French in Indo-China and the British in Malaya, is quoted as saying that the hunting trip was "tough going."

Victory Is Certain

Despite the increased repression and the plans for "foreign aid" for the British, the tide of battle is inevitably turning in favor of the Malayan people. According to official British figures, the number of engagements joined with the People's Liberation Army has been increasing each month of this year. A press agency dispatch from Singapore on July 6 reported that in January 1950 there were 145 engagements fought, in February 225, in March 290, in April 380, in May 509. Figures for later months have not yet been released, but, the British state, they are "expected" to be higher.

All over Asia the people are on the march. Malaya is no exception. While the colonial and imperialist powers apparently have learned nothing from their China experience, the lesson has not been lost upon the oppressed native peoples of Asia. In Korea, in Indo-China and in Malaya the fight for freedom from oppression and exploitation has already reached the stage of open warfare. It will only end in victory.

— P. S. TSENG

Drive for Increased Food Output

In addition to large projects along main rivers, conservation work is underway throughout the country. Small scale work in Fukien illustrates nature of campaign.

FOR the past year the drive for increased food production has been in full swing. In almost every one of the scores of thousands of *hsien* throughout the country the people have pooled their efforts and talents in a gigantic campaign to grow more food.

The most compelling reason for launching this drive was the simple fact that many areas of the country were faced with extreme food shortages this past winter and spring. The Kuomintang's military "strategy" of dike destruction prior to its evacuation of the mainland, plus last year's flood waters—which set new records in many areas—brought the country face to face with the prospect of famine.

However, even if last year had not been a flood year, and even if the KMT had not tried to drown the advancing People's Liberation Army, the question of raising China's food output would have demanded early attention. While really accurate statistics have never been available, it has been obvious that year by year for the past few decades the country's food position has steadily worsened.

The deterioration has been most rapid in the years since the outbreak of the war of resistance against Japan. Dikes were destroyed or neglected, while canals, rivers and other waterways were allowed to silt up. The end of the war against Japan brought virtually no improvement since the Kuomintang devoted most of its energies to fighting the people, while the maior portion of the scant funds set aside for conservation went to line the pockets of the bureaucrats.

Urgent Task

Thus, there was no question but what one of the most urgent tasks facing the people, once they had rid themselves of Chiang and his parasitic gang, was to increase food production as quickly as possible. From one end of China to the other a whole variety of projects aimed at controlling floods, preventing drought, cultivating wasteland, improving farming practices, growing better seed, making more and better designed tools and so on have been inaugurated.

Some of these undertakings have been on a scale scarcely ever before witnessed in China and have caught the imagination probably more than any other achievements of the new China during the past year. Along the courses of the Yellow and Yangtze rivers in north and central China tremendous dike building and canal digging projects have been partially or fully completed. In some instances entire rivers were diverted into new courses hurriedly dug during the past winter. A great deal has been written about these major conservation works and it is not necessary to discuss them in detail.

However, in order to obtain an overall picture of the work and of the progress made, it is important to note that this campaign has penetrated into virtually all corners of the country. In some districts the conservation program is, by comparison with, say, the north Kiangsu work, on a very minor scale. However, the sum total of the work done in China this past year—the big projects and the little ones—will stagger the imagination when final figures are compiled following the coming harvest.

Program in Fukien

The conservation program in Fukien province illustrates, in a specific manner, how the campaign is being carried out under the most difficult of conditions. This province was one of the last to be liberated and, in addition to the fact that there has not been much time to organize the work, has many special problems. Being just across the straits from Taiwan, it has suffered proportionately more from KMT bombings than have other areas. In addition, Fukien has long been known as a relatively "backward" area. It is very mountainous and communications inside the province are extremely difficult. The ruggedness of the terrain and resultant lack of contact between the communities can be appreciated from the fact that even today several different dialects are spoken within its borders. In some areas hangovers from tribal days may still be seen in local customs and attitudes.

Land reform cannot be completed for some time since much preparatory work must be done first. In most areas of the province the main jobs for the present are mopping up KMT bandit remnants, reduction of rent, and expansion of the peasants' associations coupled with, of course, increase of production.

Peasants' associations have been set up in nearly 60 percent of the villages in the province during the past nine months since liberation and have a membership of 740,000, of which 100,000 are women. These associations, while established in only a little more than half the villages of the province, have played an important role in the campaign against KMT bandits, in the struggle against rural despots and in the drive for rent reduction.

It has also been largely through the peasants' associations that the conservation work has been accomplished. Some 2,000 hectares (nearly 5,000 acres) of wasteland have been reclaimed and nearly 900 specific water conservancy projects have been carried out. Grain production this year, it is estimated, will be increased by 20,000 tons because of the completion of these measures.

The projects range from small jobs involving only a few *mou* of land to more substantial undertakings affecting several thousands of *mou*. The Sheng Hsin Dike in Ningteh, a dis-

trict in east Fukien, was destroyed in September 1945 and 260 *mou* of farmland within the area covered by the dike lay waste for five years. During these years the farmers could never obtain—from an indifferent KMT regime—the necessary financial aid and technical advice needed for its reconstruction. Repairs were started in February of this year and completed by the end of March. Cultivation of this 260 *mou* is now restored.

In the Tunghuyang village in south Fukien there are 2,000 *mou* of fields which, because of lack of proper irrigation, have raised poor crops. Ten years ago the local farmers began a campaign for digging a canal to bring sufficient water to their fields. However, the canal could not be constructed because of the opposition of local landlords who did not wish to see the countryside "disturbed." With liberation the peasants' dream has come true. Work began early in January with 14,000 farmers participating in the digging. Forty-three days later the canal was completed.

An example of the difference between the KMT administration and the people's own administration is given in the story of the Water Conservancy Works at Changloh, 35 miles southeast of Foochow. At the time of liberation it was in a complete state of disrepair, while all supplies and capital had been carried away. Within five months it had been repaired and is now supplying irrigation water for 24,000 *mou* of fields. Water charges are now nearly 50 percent lower than before liberation and may be reduced still further when the installation of a rice mill and a bean cake factory at the works is completed.

In one small hamlet in Fukien farmers have reclaimed 50 *mou* (about eight acres) of wasteland. In Shanghai, PLA units and suburban farmers are cultivating city waste plots, some only a few yards square. In the Northwest provinces farmers and PLA men are working on gigantic reclamation projects, some of which cover thousands of *mou*. From one end of China to the other the people are at work, building for the future. Never before in the nation's history has such an integrated, country-wide public works program been undertaken.

What this will mean in terms of increased food production, in relief from the whims of nature and in a better and fuller life can easily be imagined.

— *T. W.*

PLA's Land Reclamation Work

As the biggest single organized force in the land, the People's Liberation Army is pioneering in vast agricultural production programs which are laying the foundations for China's future prosperity.

* * *

AFTER Chairman Mao Tse-tung issued a directive on December 5, 1949 for the PLA's participation in production, an organized movement was launched to reclaim wasteland, repair dikes and carry out large-scale reconstruction programs.

The major efforts have been in agriculture. Statistics for early June show that an area of 223,870 hectares of land, mostly reclaimed from waste, have been cultivated by PLA troops in various parts of China.

In remote Sinkiang province, PLA troops, after a long march of 10,000 *li* (3,000 miles), immediately began to plan for production. Because irrigation is a fundamental problem for this area in the northwest, special emphasis has been laid on water conservancy works. In south Sinkiang, the PLA has already rebuilt a huge reservoir which irrigates 20,000 hectares of land, and has constructed 111 kilometers of irrigation ditches. This has changed the whole appearance of former barren and uninhabited areas, for grain and cotton are now growing in what was once unusable alkali soil.

In northern Sinkiang, it is also reported that another force of the PLA made up of reorganized former KMT troops, similarly opened up 12,000 hectares of wasteland. In addition, this force dug 23 irrigation ditches and canals, which have made 10,000 hectares of farmland fertile. They have raised 7,000 head of cattle and sheep and built 1,600 units of living quarters. Now they are self-sufficient in regard to food and necessities.

* * *

MANCHURIA, with its vast expanse of fertile virgin soil, has had 88,100 hectares of wasteland reclaimed by army men, according to press reports. The troops stationed there, including part of General Lin Piao's Fourth Field Army which saw active service south of the Yangtze, have already built numerous barracks and sunk more than 50 wells for the army farms and new villages in the prairies of north Manchuria.

Disabled soldiers in Manchuria have also cultivated 7,500 hectares of land using 120 tractors and dozens of farm machines on their 25 farms. Most of the farms overfulfilled their original planting quota. The ex-servicemen's own workshop turned out 900 horse-drawn farming tools in time for the spring sowing.

In North China, an army group has set up 20 farms of over 667 hectares each, of which seven are situated in the alkali coastal areas of Pohai Bay. Electrically operated pumps have been specially installed to supply fresh water for washing the salts from the soil. The largest farm of 1,333 hectares has been won from alkali soil and transformed into rice fields.

Units of the Third Field Army, the army which will lead the assault on Taiwan, have brought under cultivation 10,000 hectares of small plots of land or swampy places in the thickly populated districts in east China.

* * *

SIMULTANEOUSLY with the development of their own production, PLA troops in all parts of China have been aiding the peasants in their sowing and harvesting. Garrison troops stationed in the outskirts of Shanghai organized themselves into 406 teams to assist the families of workers, revolutionary martyrs, widows and peasants who were in need of labor help. Strict discipline was observed by the PLA men. The disciplinary rules included: never waste one single grain of the farmers; never accept anything, not even a glass of water or a cigarette from the farmers.

Said one Pootung peasant woman pointing to the remains of a blockhouse, "Over this plot of land of mine the KMT gang drove their tank to build the blockhouse before last summer's harvest. What a change. Today the PLA men are helping us to till the same land!"

* * *

ALONGSIDE of farming, the PLA men have been helping in gigantic water conservancy projects to lessen the flood menace and develop irrigation. According to rough estimates, they have shifted some 12,171,000 cubic meters of earthwork in the course of water conservancy during the first half of the year.

One of the larger irrigation projects undertaken by the army was the harnessing of the Sangkan River in the mountains of Chahar province in the Northeast. More than 30,000 men worked on this and they have dredged and repaired 150 kilometers of canals bringing water to over 33,300 hectares of land.

Army production is clearly playing a large part in increasing the wealth of China. In addition to alleviating the burdens of the people, the soldiers are improving their own standard of living.

The work of the PLA in agricultural production is long-term and the first few months' results promise well for China's future.

Prospects for Private Banks

Past year has been a period of readjustment for private banks. While weak institutions have failed, sound banks may look forward to useful and profitable future.

WHAT is the banking situation after liberation in China? What is the characteristic difference between People's Bank of China and the ex-Central Bank of China? What is the relationship between the People's Bank and the private banks? What is the policy of the people's government toward private banking business and how will such a policy effect the national economy? Why did so many banks close during the early part of this year, and what is the future prospect for private banks?

These are questions often raised by my friends. As one engaged in this business, I will try to make these points clear.

* * *

Post-Liberation Changes

IN the past, China was modelled after the capitalistic countries, especially the USA. As we know, the law of the development of capitalism is marked by the growing change from industrialist capitalism to banking capitalism, which in turn controls industries, serving the interests of the capitalists or the imperialists.

Pre-liberation China was in a semi-colonial and semi-feudalistic state. Industry was not developed, but there were many banks. Their existence depended almost entirely on inflation, speculation, high-interest exploitation and hoarding of commodities, while a number dealt in illegal buying and selling of foreign currencies and gold bullion. Their endeavors in business were for the profit of the bureaucratic capitalists; their service was to the exploiters. The government banks, so-called, were but racketeering organs for the ruling class. What benefit did they give to the people? Is it logical that such an important function should be manipulated by a privileged few?

With the coming of new democracy, the whole economic structure is entirely changed. The theory of new democracy is that the laborers assume leadership over other classes (the farmers, the bourgeois, and the national capitalists), but are also in alliance with them. These four classes unite to resist aggression from the outside, to suppress reactionaries and to build a better world for the people.

In order to achieve this aim the development of production is now considered the most urgent task and should be taken as the common goal for all economic activities. The inclusion of the bourgeois and the national capitalists in the alliance naturally allows the existence of private enterprises, and in view of the urgent need for production, their development is even encouraged—with the guiding principle being to secure mutual benefit to both capital and labor.

As to the banking business, it is the artery of the whole economic system. Its importance calls for national ownership and operation; nevertheless, private banks are allowed to exist for the present to share the responsibility of boosting production, but are placed under the strict guidance of the People's Bank.

Mr. Tung Ping-chi formerly taught college economics and finance. He has been in banking for several years. In this article he answers some of the more frequently raised questions as to the prospects for private banking in people's China. He also explains the flood of small bank failures which took place here in Shanghai this past spring.—Editor.

As to the fundamental policy of the government toward the banking business, we refer to Article 39 of the Common Program of the People's Political Consultative Council which stipulates: "The banking business shall be under strict government control. The right of issuing notes belongs to the government. Foreign currencies are not allowed to circulate within Chinese territory. The buying and selling of foreign exchange, foreign currencies, and gold and silver bullion shall be handled by the government banks. Law-abiding private banking enterprises shall be under government supervision and direction. Monetary speculation, destroying the whole banking system, shall be severely dealt with by the government."

What is the distinction between the People's Bank and the ex-Central Bank of China? The latter was the by-product of bureaucratic capitalism, whereas the former has its roots in new democracy. In all capitalistic countries the central bank is the banks' bank, leading and backing all other commercial banks in controlling and adjusting the monetary market, whereas the People's Bank is no longer the "banks' bank" but one owned by the people rendering service for the people. It is on this basis that the People's Bank can do any business which private banks can do in addition to carrying out the proper function of a national bank.

The bank which gives better service to the people will survive; the banks which do not serve the people will be eliminated. Some people may ask, "If private banks must meet competition with the People's Bank, how can they exist, since their capitalization is small and they are without privilege?"

To this question we may say that private banks have long-established connections with private business, which can hardly be taken over by the government bank. Meanwhile, the government bank has the duty of looking after private banks in case they are in difficulty.

Therefore, with the development of industry and business, private banks still have a future if their organization is sound and their business is well done and so reformed as to be adaptable to the situation. The People's Bank collaborates with private banks and strengthens its supervision and guidance over them through its leadership, and at the same time competes with them. Private banks can only walk cautiously along the path which the government indicates for them, and look for due profit according to the scale of their business.

The purpose of such a policy is clear. In a socialistic country, banking business is completely owned and operated by the government. In China, New Democracy is but the transitional period before socialism. Therefore, we have no reason to allow any bank to serve the interests of the privileged few. If private banks prove to be valuable to the people, they can survive; otherwise, there will be no reason for their continued existence.

It is not necessary for the government to force them to close down, or to declare national ownership at this time. Sound private banks are still necessary in assisting the government banks to promote production, control the market and stabilize the economy. The government banks accept deposits from various organizations both government and private whereas private banks can accept deposits only from private circles. On the other hand, the government banks extend loans to most of the public enterprises, and if necessary, to the private banks as well; whereas private banks deal with all private business and individuals. Thus the division of function is possible but can hardly be given a clear-cut distinction. With leadership exercised by the government banks and with private banks following their lead, a planned economy is possible.

* * *

The Present Status

HAVING made clear the policy of the government in regard to this business, we may go on further to analyze the present situation. The full development of government banks in comparison with their immature development before the war, or even with the old KMT Central Bank, needs no explanation. The ex-Central Bank did not achieve successfully the task of controlling the monetary market, but the People's Bank does.

After many years of inflation and economic changes, the People's Government has succeeded in bringing the situation back to normal, and it is the job of the People's Bank to fix proper monetary policy to control the market, regulate the issuance of paper notes, and adjust interest rates, loans and deposits so as to stabilize the national economy. The first point is to pool cash together in its treasury to form the biggest reservoir. The largest source of cash comes from the government organizations. The carrying out of the Cash Control System has concentrated deposits from various government organizations.

In addition to this, the People's Bank has devised means to absorb deposits from private circles. The

creation of the following deposits has aroused the interest of the people and made the People's Bank highly successful in absorbing deposits from business and individuals: 1) Parity Unit Deposits (折實存款) (payment to be made according to the rate of Parity Units), 2) the Fixed or Current Deposits (定活兩便存款) (deposits can be drawn at anytime, but the interest will be calculated according to the following ways: For 7 days and more, the interest is fixed by the average rate; under 7 days, discount is to be made according to the length of deposit), 3) the Principal-and-money-value-guarantee Deposits (保本保值存款) (i.e. in order to safeguard the deposits from loss due to fluctuation of purchasing power, the payment is to be made according to the rate of Parity Units or normal way of calculation of principal and interest at the choice of the depositors).

Under this system the depositor is free to choose the more profitable method. At the end of April this year, the amount of deposits of the Savings Department of the People's Bank has come up to 512 percent as compared with deposits on March 1. The strength of the People's Bank is further enhanced because of its higher prestige over private banks in the eyes of the people. With such a command, it has no difficulty in accomplishing its aims.

Regulation of Market

For instance, if the market is tight and needs money, the People's Bank will grant more loans to those who require them. On the other hand, if the market is overflowing with idle money, the People's Bank can either raise the interest rate of deposits or loans through the Bankers' Interest-rate Committee so as to encourage the former and discourage the latter, or stop issuing new loans and call in old loans. Again, more loans to factories and farmers will boost production but will necessarily cause fluctuation of prices for the moment. Under such conditions, the People's Bank will tighten the money market in other respects along with the dumping of goods by the government corporations.

Besides the function of readjusting the market, the People's Bank together with the Bank of Communications (the Government bank which undertakes solely the duty of promoting production and reconstruction), have achieved a remarkable record in helping industries and business. The loans made by these two banks to 1) public utilities, 2) public and private factories, 3) exporters, 4) transportation business, 5) farmers and cooperatives have increased monthly. The result of such assistance has contributed greatly in getting the country's economy going again.

Another Government bank, the Bank of China, is given the sole task of fostering the business of foreign exchange. During this first year of liberation it has succeeded in encouraging remittances from overseas Chinese and in helping importers and exporters.

The situation of private banks is unsound but hopeful. At the time of liberation of Shanghai (May 28, 1949), there were altogether 232 banks, of which 200 were private and the rest were semi-public and foreign. These 200 banks included 115 commercial banks, 80 native banks (small banks doing business according to the native custom) and 5 trust corporations.

Since then, many banks have closed, but not without reason. Last June, two banks voluntarily suspended their business and last August, only one bank was closed. The promulgated Regulations of Controlling Private Banks by the Military Control Commission of the East China zone required private banks to increase their capital as a result of tremendous depreciation of Gold Yuan issued by the Nationalist Government. Up to September 22, 1949, 20 banks succumbed through inability or unwillingness to increase their capital, and before the end of last year, 10 banks were ordered to close by the People's Bank owing to mismanagement.

The sweeping failure of banks came to a head in February, this year, when 15 banks had to be closed, followed by 33 in March, 22 banks in April and 18 banks in May, bringing the total during the first five months of this year to more than 90 banks. The reason for such a catastrophe is not difficult to discover.

Out of the 124 banks which succumbed since liberation (up to May), 66 were established after VJ Day; 23 were established in the period 1939-42; 1 in 1938 and 34 in the pre-war period. If we accept that the pre-war economic situation was normal, then the majority of these banks came out under abnormal conditions, especially during the Japanese puppet days and under the Kuomintang government when inflation was wild and monetary control but a name. The ascending spiral of prices and interest, coupled with participation by bureaucratic or feudalistic influence, made this business assuredly profitable. As to the 34 closed banks, which were established before the war, their winding-up was due either to low credit, fleeing of directors or managers abroad before liberation, or to other reasons. When the inflation ceased and corrupt government became a thing of the past, the remnants were bound to perish sooner or later.

Some people may ask: "Then why were more banks closed down this year than last year, when the first crucial test came in the form of readjustment of banking capital?" To this question we answer that 1) the low amount of readjustment of capital, as requested by the local bankers and accordingly fixed by the government last year, made it possible for many perishable banks to escape closure and 2) the gradual elimination of inflation since last November and the temporary depression caused by the KMT blockade and bombings, particularly the serious raid of February 6, 1950, caused these banks to succumb.

Contributing Factor

Mismanagement was another contributing factor. One local native bank had about sixty staff members but there were twenty-two sub-managers and even more division chiefs! Such a phenomenon was the result of reluctance to answer the call of readjustment of capital last year when the original shareholders could not or would not invest more money in the bank but asked the staff to subscribe to the capital and then gave positions for reward.

The managers of many other banks secretly drew cash out of the treasury for illegal practice and almost the majority of the banks kept duplicate (secret) account books. The elimination of these unsound banks has purified the national economy and solemnized the outlook of this business.

Then what is the condition of the remaining 60 private banks (up to August 15, 1950), in Shanghai and other cities? I must repeat that the situation is difficult but hopeful. The reasons of difficulty are: 1) the weakening of the banking strength itself, 2) lack of deposits as a result of low national income and prolonged political and economic instability, 3) large absorption of deposits by the government banks, 4) sharp competition between them and semi-public banks, 5) dull business situation, 6) under-development of industries, 7) maintenance of high-salary payment to the staff and reluctance to discharge superfluous personnel.

The pre-war requirement of the capital of a bank was National Currency 500,000. The price of rice in

PLA soldiers cultivating wasteland

pre-war time was $10 per *picul*, so the required capital was the equivalent of 50,000 *piculs* of rice. The conversion of such a quantity of rice into the present currency (JMP) in September last (the time of readjustment of capital) would give a figure of about JMP2,100,000,000. The highest requirement for the readjustment of capital fixed last year by the government was JMP200,000,000, which is approximately one-tenth the value of the pre-war requirement.

Again, the deposits now available for the private banks are pitifully small. In Shanghai, the total sum of deposits of all semi-public and private banks is about JMP8,000,000,000,000 which is approximately equivalent to 38,000,000 pre-war silver dollars. Before the war, The Shanghai Commercial & Savings Bank alone had deposits of more than 100,000,000 dollars. That is to say, the present total deposits of both semi-public and private banks is only one third of the pre-war deposits of one bank.

The serious problem is that more than half of the total deposits is now in the hands of four semi-public banks; or, 60 banks are now handling what is worth less than one-sixth of the deposits of one bank in pre-war days. Furthermore, the deposits of 40 percent of the existing private banks claim only 4 percent of the total deposits. More serious conditions exist elsewhere; for example, in Peking, there are banks possessing deposits of only about JMP50,000,000.

If scarcity of deposits endangers the existence of private banks, the difficulty of extending loans gives no less difficulty to them. The slump of the market due to the blockade and prolonged war destruction makes bad debts quite possible. The lowering of the interest rate has benefited industries and business but has reduced the margin of profit for the banks. The tremendous expenditure resulting from maintainance of pre-liberation scale of business—such as too high salaries, too numerous staff, too heavy overhead—threatens the existence of many banks.

In Shanghai, the total amount of deposits in all private banks is equivalent to only 4 percent of pre-war deposits; of loans, only 1 percent; whereas the number of banking employees is about two-thirds of the pre-war number. The average percentage of salary payment in the budget ranges from 60-80 percent of the total expenditure. With such a heavy burden, private banks can hardly escape from being crushed, unless they manage to reduce this burden.

* * *

Future Prospects

REALIZING the cause of the difficulties of private banks, we may ask: "Is there any future for them? What is the remedy for their illness?" As we see it is not easy to canvass customers in order to increase deposits, nor is it possible to speculate and profiteer, the only way for them is to effect a drastic cut of their expenditures, especially through the discharging of unnecessary personnel and through reduction of salaries. Some observers doubt whether this alone can save them. Indeed, the famous economist, Mr. Chang Nai-chi, has said: "Realistically, even though wages and personnel were to be reduced to a minimum, the existing number of private banks cannot be kept as they are."

However, according to our estimate, although this cannot solve the whole difficulty, it can do a part of it. If we divide total deposits in all private banks of the country, JMP800,000,000,000, by the number of employees (16,000, according to current statistics), the average deposit available for each employee is JMP50,000,000. Excluding the required cash reserve and cash in treasury, if 70 percent of this amount can be loaned out at the monthly interest rate of 0.039, the amount of interest available would then be JMP1,365,000. If the average rate of fixed deposits is 0.015 monthly, the net amount of interest which the bank gets for each employee would be JMP840,000. We must mention that this amount includes banking expenditures for each employee, therefore, the real amount for his remuneration would be much lower than that, say 70 percent.

Now of course, such a low salary cannot provide even a tolerable living standard for a family. The banks thus have to do something besides this. If the personnel can be reduct by half, the individual payment will be raised, say, about JMP1,200,000 monthly. That will be almost up to the humble standard for a family's living. Certainly, this is only a rough estimate and we are taking an average of all the banks and employees. Individual cases will be adjusted differently.

The discharge of personnel would cause social unrest and therefore is not a good policy. Thus some positive ways to earn income must be mapped out. Stringency in other expenses cannot help much.

The recent development of joint operation of banking business really gives hope to private banks. This is to form a group of many banks to operate business under joint supervision. The advantages of such a system are 1) the enhancing of strength through cooperation, 2) the raising of prestige of the banks in the eyes of the people, 3) more power to assist production by concentrating all available capital of separate banks to one or two big loans, which formerly was not possible, 4) mutual help and checking among the members to promote improvement in business and management.

The result of the first attempts at joint operation by 12 banks in Shanghai has been highly successful. At the end of June this year, the total deposits increased more than 10 percent in comparison with that of a month ago, and up to July 15, a further 10 percent increase was made. The total of loans made by this group at the end of June was JMP38,800,000,000, or 32 percent increase of the total in the previous month. The amount of net profits made at the end of June was JMP2,500,000,000. Other groups also have similar experiences. Such a collective form of running business is actually paving the way toward scientific socialized enterprise and undoubtedly is the remedy for saving private banks from the present dilemma.

Some banks found themselves in difficulties because they had invested most of their capital in real estate or stock of factories or other enterprises which cannot be turned into cash immediately but the banks are obliged to maintain the existence of these subsidiary enterprises. Others had sent part of their capital abroad before liberation, and therefore now suffer from shortage of cash.

As to the former, the People's Bank should give more help to them to relieve their temporary difficulty. The private banks should be permited to put up their real estate and stocks as collateral for loans secured from the government banks, if the situation is regarded as serious and necessary. As to the latter, these private banks should recall their capital now overseas to strengthen their power.

Division of Functions

The relationship between private, government, and semi-public banks should be readjusted in accordance with the principle of division of function. Interest rates should also be readjusted so as to benefit industries and business but not to harm the banking business. The People's Bank has given much help to private banks, but more endeavor by both sides will offer the latter a way out.

So long as we are in the stage of new democracy, it seems that private banks are necessary and should be allowed to exist unless national interests demand otherwise. It is to be remembered that now banks are no longer the instruments of exploitation for the privileged class but are a means to achieve welfare for the majority of the people.

Therefore, wide extension of service to the people by the banks is their best policy. Here we may insert that the policy of the people's government is correct. Only the return of industries and business to a state of prosperity can give the banking business a future. The completion of land reform will encourage more production in rural areas which will open up a whole new field of activity for the banks. Chinese bankers are facing a new era during which they will be able to render great service to their country.

— *TUNG PING-CHI*

China's New Medical Program

Effects of country's first unified, nation-wide health plan are already being felt as medical teams check epidemics and carry on other work among the people.

LIBERATION of the mainland of China has made possible the creation of a nation-wide, planned medical service for the vast urban and rural working population. Hitherto, most of the people, especially in country districts, had to rely chiefly upon herb doctors, magicians and ignorant midwives for medical care. Of preventive medicine, now emphasized in medical planning, there was formerly little save prayers and incense for the gods. Foreign medical service, chiefly missionary, did not touch the economic roots of ill-health.

The people's government, realistically taking stock of the present inadequacy of the nation's medical services, has drawn up a concrete plan to meet minimum needs, which emphasizes basic medical training and preventive, rather than curative, medicine.

Unlike the KMT, however, which was content with building hospitals in the air, the people's government has begun its program, and in the meantime has organized mass attacks against epidemic outbreaks with all the resources at its command. The success of these campaigns shows clearly that a determinedly independent people does not have to rely supinely upon expensive, inefficient western "aid" in order to act effectively against disease.

Education Comes First

The importance the government gives to educating the people in health and sanitation can hardly be overstressed. The fight against mass ignorance, apathy and superstition is being waged with films, lectures, posters, public exhibitions and through the newspapers. When medical teams go to wipe out epidemics, an important part of their task is to train the local people in preventive measures. All media are used to show, as simply and graphically as possible, the causes of disease, the importance of personal hygiene, and the necessity of immunization against plague and cholera.

China does not have nearly enough trained doctors and health workers to serve its people; hence the present training program. Western medicine was brought to China chiefly through the missions, which established hospitals and medical schools. Most of these institutions were in the large cities, although some hospitals and clinics were established in the countryside.

However, although many Chinese doctors and nurses received training at mission-supported hospitals and schools, with numbers of medical students going abroad for study, and foreign doctors practised in China, the great majority preferred the high income and ease of city life. Thus, the countryside— where, it must be remembered, 80 percent of China's people live—received little benefit. While formerly prospective doctors looked forward to a high income, the purpose of the present training program is different. The people's government is training thousands of doctors and nurses who will work in the rural areas to serve the people.

Foreign medical assistance of another sort, the post-war UNRRA program, showed glaring shortcomings of a different kind in serving the real needs of the Chinese people. A considerable part of the whole UNRRA program was designed to supply medical supplies and equipment and to rehabilitate the hundreds of hospitals destroyed in the course of the anti-Japanese war.

Shortcomings of UNRRA

Owing to UNRRA's failure to distribute its supplies equitably, almost the whole program was confined to KMT-controlled areas. The Liberated Areas received only two percent of the total, or 50,000 tons, of which but a small part was medical supplies.

The result was that the UNRRA medical program little benefited the people. The KMT Ministry of Health and UNRRA specialists drew up elaborate plans for all sorts of projects, most of which remained visionary. Some hospitals were rebuilt and re-equipped, and some were given medical supplies; but much of the latter landed on the black market in Shanghai and other cities, while a mountain of drugs and equipment clogged the ports and UNRRA wrangled with CNRRA over who was to get what.

Furthermore, a great deal of the medical supplies sent to China for the UNRRA program were surplus military items which were not suited to the country's needs. For example, while literally tons of plaster of paris and foot powder were received (a good deal of which CNRRA palmed off onto the Liberated Areas), there was no badly-needed obstetrical equipment.

The medical situation in the Liberated Areas, by contrast, was that of a government determined to do everything it could for the people, under the great handicap of a lack of medical supplies, hospitals and qualified doctors. Before VJ-Day, the Liberated Areas were blockaded by KMT armies and the medical service was forced to rely chiefly upon its own resources. A slightly larger, but still pitifully insufficient, amount of medical supplies was received after VJ-Day. As a result of the experience gained by Liberated Areas medical personnel during the long and difficult years of the anti-Japanese and Liberation wars, the people's government has developed its present health work and plans, which accent practical training to suit actual conditions, three-grade training of doctors and nurses, and preventive medicine.

During the anti-Japanese war, some organizations managed to get medical supplies through the KMT blockade into the Liberated Areas. A notable achievement was the China Welfare Fund's organization of eight International Peace Hospitals in the Liberated Areas.

Obtaining supplies became a little easier after VJ-Day, although the areas were practically excluded from UNRRA assistance. Essential medical supplies were obtained at extremely high prices in the black market in Shanghai and other cities and smuggled at further great expense across the KMT blockade lines. But both before and after VJ-Day, technical assistance and supplies received by the Liberated Areas from outside was only a trickle in terms of the total need.

With few hospitals, doctors and medicines, improvisation was the order of the day. Basic medical training courses, short and practical, were pioneered by the Yenan Medical College, and as the Liberated Areas expanded, were instituted at other colleges in the area.

At one of these schools, located in 1948 in the Tai Hang Mountains, 400 students were taking a 16-month course, which included only the most practical studies, such as simple surgery, the use of herbs, and sanitation adapted to village and country conditions. The students studied and lived in groups, and did productive work, helping the peasants in the fields. In their contact with the people, they taught them to eradicate filth and superstition, and set an example by helping to build more sanitary privies.

Such a practical course of training fitted the students for their post-graduate work in the army or government health service. Owing to the brevity of the basic training course, and the average middle-school level of entrants, it was admitted that western medical standards could not be attained. Some of the graduates, after a period of work, returned for further study when conditions permitted; and at the present time, under stable conditions, medical curricula are in three grades. The first grade is an elementary three to six month course, while the top grade is for fully qualified doctors and specialists.

Mass Health Education

During the past year, health work carried on by the people's government has been notable for health exhibitions, campaigns against plague, cholera and TB, and the great attention paid to maternity and child health, including an expanded nursery program.

The importance attached to mass health education is apparent, not only by the health propaganda and instruction which accompany anti-epidemic campaigns, but also by the number of health exhibits held during the year. In Shanghai, during last winter's "Anti-TB Week," an exhibition was held of the causes and treatment of the disease. In June,

there was an exhibition devoted to mother and child health, and this was followed by another on general health and sanitation.

The maternity and child health exhibit, housed in the Race Course buildings, was organized by the Public Health Bureau in cooperation with 40 hospitals, for the purpose of extending sound medical knowledge among the masses. It featured the importance of pre- and post-maternity medical examinations and the superiority of hospital obstetrics as against the old-style, unsanitary and often fatal midwifery. Charts, diagrams and life-sized models showed the process of birth and methods of prevention of infant diseases. A dietetics section explained the importance of proper food for mother and child. Admission fees were extremely low and the exhibition was visited by thousands, men as well as women.

Article 48 of the Common Program shows the high priority given to maternity and child health. It states, in part, ". . . Public health and medical work shall be extended and attention shall be paid to safeguarding the health of mothers, infants and children."

Nurseries Increase

Important in carrying out this part of the Common Program is the establishment of nurseries for the children of working mothers. Since liberation, nurseries have increased in number. Incomplete figures show about 600 nurseries in 27 large cities and provinces. This is three times the 1948 total, and more are being opened.

With the cooperation of labor unions, more factory nurseries are being established also, and those already in existence are being enlarged. Shanghai, before liberation, had only 36 factory nurseries—many of which were mere window-dressing—caring for 1,658 children. Now there are 56, with 3,603 children. This is still insufficient, in terms of the city's million workers, but more are being added at an increasing rate.

In other cities, general nurseries, also chiefly for the children of working mothers, have increased in number. Peking, formerly with nine, now has 53, and Tientsin, which also had nine, now has 26.

At all nurseries medical and sanitary arrangements are being constantly improved, and numbers of child welfare workers are being trained in 10 major cities. An important project in this general field of work is the re-training of old-style midwives. In the Northeast, nearly 2,700 midwives were instructed in modern methods in a six-month period.

The new China is thus successfully developing its mother and child health work, without the "assistance" of another international program, which followed the UNRRA program and also largely failed, although for somewhat different reasons. This was the UNICEF (United Nations Children's Emergency Fund) program, which began in 1948 as a child feeding program, but looked forward to concentration upon the training of maternity and child health workers.

On its principle of non-discriminatory relief, the UNICEF program commenced work in both areas of China. Its program in the KMT areas ran into the same hindrances as had the UNRRA program, while in the Liberated Areas, its representative insisted, despite an agreement with the Chinese Liberated Areas Relief Association for cooperation in all aspects of the program, upon retaining complete control of its supplies until consumed by the recipients. Furthermore, it brought only a small part of the promised supplies, and, as with UNRRA's, much of them were unsuitable.

Finally, UNCIEF was asked to cease its operations in the Liberated Areas. In the KMT area, official obstructionism had prevented fair distribution of the good part of UNICEF's supplies. Most of those remaining were in Shanghai, and were turned over, soon after liberation, to the Shanghai Temporary Relief Committee. Mostly foodstuffs, they were efficiently distributed to children during the difficult post-liberation period.

Anti-epidemic work in liberated China, exemplified in several campaigns, shows the concerted and effective action possible in a people's democratic regime. All groups have enthusiastically banded together to attack outbreaks, or to carry out mass inoculations, with striking results.

Combatting Plague

In October of last year, the first cases of the year of bubonic plague were reported from north Chahar. With the assistance of the Soviet team of anti-plague experts, 1,300 medical workers were rushed to the infected areas. These areas were effectively quarantined and the inhabitants given large-scale inoculations. More than 4,000,000 persons were inoculated, including 80 percent of the population of Kalgan. The anti-plague teams mobilized the people for rat-killing to such good effect that an estimated 15 million rats were disposed of, thus incidentally saving what they would have eaten —26,000 tons of grain.

That bubonic plague is being brought under control in the northwest is shown by the greatly decreased number of cases since 1947. In that year, at the height of the outbreak, 30,000 cases were reported from nearly 650 localities, and 23,000 died. In 1948, only 6,000 cases were reported, and last year the number dropped to 400, of which only 80 were fatal.

In this connection, it is interesting to note that China now produces all her own vaccines and serums, despite the gloomy predictions of certain foreign "experts" a few years ago that this could not be achieved within such a short space of time, and certainly not without a huge expenditure for imported equipment and high-salaried experts to erect and operate it.

Last June, an outbreak of plague was reported in the Liuchow Peninsula (Kwangtung), inhabited by the Li people, where the disease is endemic. From Mukden, 154 plague experts were rushed to the area, where the team inoculated 60,000 Lis and cured 259 plague victims. Their work was made difficult by bandits, suspicion on the part of the Lis, and language trouble. The team members spoke their northern dialect to an interpreter, who translated into Cantonese, which was then translated into the Li dialect.

Again, education formed an important part of the job. The team trained a thousand Lis in anti-plague work and left six medical workers behind to help the Lis form anti-plague teams of their own and to set up clinics.

Another successful project, which illustrates the difficulties of medical work in China and the importance of popular health education, was the elimination of an epidemic of Japanese blood fluke (*Schistosomum*

A China Welfare Institute medical team visits a poor family

Public anti-TB exhibition
— Photo by Sam B. Tata

japonicum) which broke out last winter in a PLA unit, then near Shanghai. An urgent call was sent to the city Public Health Bureau, which organized a force of 1,120 medical workers from hospitals, medical schools, and the bureau itself, to go out to the countryside and treat the soldiers. During the three months of contact, the soldiers learned a lot about health matters, and the medical workers—many of them new to village life—learned much of practical value.

Village conditions were primitive and almost everything had to be improvised. Ovens had to be built; bamboo sections served as specimen containers; light bulbs and beer bottles made test tubes. Water was distilled on the spot, after a lame medical student rowed across a river to get the necessary equipment.

Other difficulties arose. The soldier-patients were scattered among several villages, and the medical workers on their rounds had to plow through the winter mud on foot for miles. Often they put in 12-hour days.

The soldiers were none too clear about the danger of their infection, which, if not cured, eventually destroys the liver and causes death. They were worried about the required course of 18 injections, over a period of three weeks, which often caused painful reactions. Some said "We're not afraid of fighting to liberate Taiwan, but we don't like these injections!"

The doctor in charge of one such group of protesting patients met this poser by first letting them look through the microscope at a sample of water containing fluke larvae. The men were greatly impressed; one remarked that it looked like a *yangko* dance. But their levity turned to horror when they saw similar dancing creatures in their own stool specimens, and clamored to have the injections at once.

The medical personnel, although city-bred, worked with a will and were not discouraged by their lack of comfort. A warm feeling grew up between them and their patients. Some workers gave blood transfusions, while others turned over their own beds to the patients. The latter, used to an active life, grew restive confined to bed, and the workers spent many hours entertaining them.

Medical personnel and army men organized joint study groups. The soldiers told about their work and experiences, and the medical workers explained health, sanitation and dietary matters. They worked with the soldiers in cleaning up the villages. For many of them, it was a first encounter with evaluation of their own work, and self-criticism. One woman worker, one of 200 to receive the army's special commendation for outstanding service, was most active in giving health lectures and demonstrations, and some sanitary equipment she devised and installed was used as a model for other villages.

In the spring, a mass-inoculation drive against cholera, dreaded summer scourage, was conducted in most of the large cities. The drive began in Shanghai early in May, and was organized by the Public Health Bureau, with the assistance of the other authorities concerned, the labor unions, private hospitals, and schools. A budget of JMP2,800,000,000 (nearly US$100,000) was allotted for the work, and hundreds of nurses were given temporary employment to administer the inoculations. In all, 2,500 medical workers took part in the drive, including 150 old-style Chinese doctors, to whom the purpose of the drive was explained and who were taught to give the injections. Foreign doctors were also urged to participate.

The drive was preceded and accompanied by widespread publicity, including posters, street-corner lectures, newspaper articles and broadcasts. A short film was shown in all the city's movie houses. Trucks with loudspeakers toured the streets, and a power launch, similarly equipped, covered with banners and graphic posters, sailed up and down the Whangpoo River and Soochow Creek to reach the large floating population.

Although the drive was most intense in the more densely populated areas, inoculation stations were set up in all areas of the city. Passersby were politely asked for their inoculation certificate. Those without certificates were equally politely urged to have the inoculation.

By mid-July, approximately 3,500,000 persons had been inoculated, as against a mere 100,000 reported for pre-liberation 1946 and 1947. Other measures taken were the sterilization of wells with bleaching powder, the spraying of DDT, and a speed-up in the removal of 100,000 coffins that had accumulated in the city, some of which were in an advanced state of disintegration.

The latest step toward elimination of epidemic diseases is the current nation-wide anti-TB campaign. By the use of BCG tests and inoculations, an estimated 500,000 children will be protected against this dread disease.

After months of preparation, the campaign got under way in Shanghai in mid-August, when 60 health stations began administering free BCG test vaccinations to children under 15 years of age. It was hoped to give the test to 500,000 children in the city and to inoculate an estimated 140,000.

The method used for the inoculations is to introduce the serum between layers of skin (intra-dermal), rather than to apply it to a scarified skin surface, which requires a much greater amount of serum. All the necessary serum is being produced by the government East China Pharmaceutical Laboratories. As to the effectiveness of BCG, one estimate sets it at 50 percent under present conditions in China.

A check made last year of 20,000 persons showed the seriousness of TB in Shanghai. Slightly more than five percent (1,024 persons) had "serious" infections; this indicates a total of 250,000 serious cases in the city, with about 20,000 deaths yearly from this cause. This rate of infection, an expert on the subject stated, is three to four times that of Europe or the U.S. One urgent problem facing the health authorities is the lack of hospital facilities; Shanghai has a total of

Free BCG inoculations begin in Shanghai *— Photo by Tuone*

only 11,000 beds, with but 260 TB beds added during the past year.

For the campaign, which was planned more carefully and is being carried out more systematically than the anti-cholera drive, special training courses in the method of giving the BCG tests and inoculations were given to groups of doctors and nurses. These courses, set up by the Public Health Bureau, have been given to two groups, each of about 30 doctors and 80 nurses.

Four information stations were set up to explain the campaign to the public and to dispel any doubts and misunderstandings, and the Commissioner of Public Health, Tsui Yi-tien, published an open letter to parents, explaining the campaign and urging them to cooperate. During the first three days of the campaign 9,676 children were tested, of whom 53 showed a positive reaction.

Cleaning Sewage System

In addition to large-scale work against epidemic diseases, the people's government has completed other important undertakings aimed at safeguarding public health. One very practical job of sanitation completed during the past summer was the dredging of Peking's three lakes and miles of moats, and the cleaning and repair of its 600-year old sewage system. The lakes, formerly beautiful sheets of clear water built in the city for an emperor's pleasure, had become choked with weeds and sludge, their stagnant waters providing excellent breeding spots for mosquitoes.

The ancient sewers, unattended for many years, were so clogged as to be a menace to health; and worse, they discharged into an open ditch in the heart of the most densely-populated district of the capital.

At first, it was proposed to rebuild the entire system, but examination showed that the old system could be cleaned out and repaired, at far less expense, and would probably give many more years of service.

After 700,000 man-days of work, the lakes and moats were cleared out and were once again flowing with clean water, and 50 miles of sewers were free of sludge. The open sewage ditch had been replaced with a closed conduit. In the course of the work, more than a million cubic meters of black ooze was carted out to the countryside . . . "there goes the last of the KMT muck," as one woman observed. Thus a long-standing menace to the health of the city's population was removed, and the city has been made more beautiful.

China's deficiency in medical services was made plain by some "hard facts" presented by Vice-Minister of Public Health Ho Cheng in Peking early in August. In the whole of China, he said, there are only about 20,000 qualified doctors, about the same number of nurses and midwives, and less than 2,500 pharmacists. Most of these are concentrated in the cities, he added, so that the vast rural population is forced to rely upon "superstitious healers and old-time midwives." The result is that an estimated 6,000,000 die yearly from preventable infectious diseases.

The country urgently needs 3,000,000 medical workers, he said, including 600,000 doctors, pharmacists, dentists and workers skilled in the manufacture of medical equipment. Such figures alone show the magnitude of the task of training needed medical personnel.

The training program has had a good start in the Northeast, where four higher medical schools have been established, three of which grew out of the famous Yenan Medical University, which served the revolutionary cause from its inception, training "tens of thousands."

When the university moved to the Northeast, it took over the equipment and many personnel of former Japanese and KMT institutions, and branched out, adapting all the elements of traditional medical training which were suited to the needs of New China, Ho Cheng continued. Specialized training was emphasized, theory unified with practice, and medical courses expanded to full five-year terms.

Changes in teaching methods, he said, at first resisted by conservative medical men, had proved their worth. Their basic principle was the organization of small teaching groups that combined attendance at lectures with intensive study and practical work. Peking University, Kunming Medical College, and other schools, have adopted the new methods.

The most pressing health problem at present, said the vice-minister, is that of providing health services to the working people—90 percent of the population. In this work, the major emphasis will be placed on preventive medicine.

Five-Year Training Plan

He outlined a five-year program, calling for medical institutions in every county and district of China. Each county seat is to have a health center, with from five to seven trained doctors and medical assistants, and each district a health station, with an assistant medical officer, nurse, midwife, and, if possible, a qualified doctor.

To fulfill this program, in addition to medical staff for factories and mines, 20,000 doctors are required, together with 30,000 assistant medical officers, 3,000 chemists and 1,500 dentists. Army medical personnel will be given refresher courses and further training.

To provide these medical workers, a three-grade training system is to be introduced. The first grade will give large numbers of students three to six months' basic training, including first aid, elementary public health, popular health education and propaganda and simple organization training.

Middle-grade training will turn out nurses, midwives, doctors, assistants and technicians. Students will be enrolled from junior middle schools, for a two-year course. The highest grade course will turn out fully-trained doctors and specialists in preventive and curative medicine and pharmaceutical chemistry.

Vice-Minister Ho Cheng called upon all to cooperate fully in accomplishing this "great social task." He was confident, in the light of what had already been achieved, of the ability of the people and the government to deal systematically and effectively with China's great medical problems.

National Health Conference

China's first national health conference was held in Peking during the first two weeks of August to promote public health work to serve the nation's 475,000,000 people.

The 700 delegates, from the PLA and public and private medical institutions all over China, unanimously agreed upon three essential principles of public health work: service to workers, peasants and the people's armymen; emphasis on preventive medicine; and unity between old-style doctors and those trained in modern methods.

Analyzing the causes of ill-health in China, the delegates adopted, as the main practical task, the mobilization of the people—workers especially—to fight against disease, which would also be a great contribution to the work of economic construction.

The plan to establish basic health organizations, outlined by Ho Cheng, was stated to be a prime necessity for effective public health work. The conference therefore decided to carry out the major part of the plan within three years.

The conference approved the new system of medical education, described by Ho Cheng, to cope with the great demand for trained staff. Although the need to turn out great numbers of middle-grade medical workers in the shortest possible time is regarded as most urgent, training of health workers for rural service and re-education of old-fashioned midwives are also pressing and important tasks.

To unify old-style and modern doctors, medical schools for the former will be set up in all parts of the country, where they can study scientific medicine. Doctors with modern training will be encouraged to familiarize themselves with the life and habits of the people, and to learn from the experience of village doctors.

It will take time to change the old ways of thinking of China's millions, from superstitious dread of disease to an understanding of its causes and prevention. It will take time to train the thousands of doctors and nurses needed to serve the vast countryside, at present left chiefly to the mercies of magicians and midwives. But the people's government, although looking to the future and making realistic plans, is not content with outlining magnificent but impractical schemes. It goes energetically ahead, using the means available, attacking the roots of disease. Its chief resources in this task are the energy and vitality of the government medical workers—many of whom have learned the necessity of linking theory firmly with practice in a bitter school—and the people's willingness to learn. Everywhere there is instruction, explanation, advice on health. Education is the keynote. For a healthier China, education of medical workers goes hand in hand with education of the masses.

— *WILLIAM PAGET*

BOOKS OF INTEREST

NEXT STEP IN ASIA, ***published in cooperation with the International Secretariat, Institute of Pacific Relations by Harvard University Press, 1949 Price $1.50, 90 pages. Reviewed by C.S.***

FOUR American experts on the Far East have set forth their views on what America should do to combat the spread of communism in this area. Three of these experts will be familiar to many people in China: Harlan Cleveland, the head of the UNRRA China Mission during its final days here; Mr. John K. Fairbank, former director of USIS in China and now professor at Harvard; Mr. William L. Holland, in China with OWI during the anti-Japanese War and now Secretary-General of the Institute of Pacific Relations.

The fourth expert is Mr. Edwin O. Reischauer, who is associate professor of Far Eastern Languages at Harvard University and served as a member of the American cultural mission to Japan in 1948. His report "Japan and Korea as American Policy Problems," is particularly interesting in the light of present American activities in Korea. While Mr. Reischauer recognized many of the deficiencies of the American puppet regime in South Korea, he considered the "police state" of North Korea just as bad. One can only imagine that Mr. Reischauer must be puzzling over the reason for the tremendous support now being given the People's Republic of Korea by all Koreans—both in the south and the north.

* * *

MANY in China who have read John K. Fairbank's "The United States and China" published in 1948 and admired his grasp of the old China, will be interested in just how far his erroneous understanding of the new China, as expressed in that book, has led him. As a liberal, recognizing the weaknesses of the old, he still looks for a middle way: "The creation of a native non-Communist leadership for the modernization of Asia and the liberation of its peoples from poverty, disease, and ignorance can be achieved only in response to a revolutionary idealism which is ruthlessly dedicated to the people's welfare."

And we well might ask who is to "create" such a non-Communist leadership. Mr. Fairbank's answer to that is: "It is time therefore, to reactivate our approach to Asia through private American agencies—missions, the YMCA and student movement, universities and foundations, our great business corporations."

It is hard to believe that Mr. Fairbank does not know that the groups he hopes to reach through American agencies are playing an active role in the united front in China—the missions, the YMCA and student movement know that their strength and their future lie in the whole liberation movement now going on in this country. If any such groups or individuals would seek instead to follow the dictums of the American government, the Chinese people themselves would isolate them.

Such seeking of "third ways" on the part of American liberals has already been exposed as wishful thinking in the case of China. Now Mr. Fairbank has laid bare for all of us to see just how far such "liberals" are willing to go to stop the spread of communism. It is to be done through America's "great business corporations." American imperialism is not a third way, and the colonial peoples, including the Christians and students, know it very well.

* * *

MR. Cleveland takes a lesson from UNRRA's difficulties in China and believes that one of the reasons for its set-backs was lack of Chinese technical personnel, which caused difficulty in absorbing Western technology.

Of special interest to those in China who had first-hand knowledge of UNRRA'S program will be Mr. Cleveland's conclusion that "the corps of people selected to help an underdeveloped area make effective use of foreign aid cannot be limited to experts and highly trained specialists in particular lines of technical work. Judging at least from experience in China, they need to include a generous sprinkling of top-grade business and government executives, who can help to *manage* projects for the period of time necessary to train their local colleagues in the techniques of modern management."

Mr. Cleveland, one can assume, would be very surprised if he could see what is happening in China at this time. The millions of dollars worth of UNRRA supplies that were left to rot in all parts of China by inefficient and corrupt officials are now being inventoried, rehabilitated and put to real use for the first time.

Aid to countries in Asia, Mr. Holland suggests, could be channeled through United Nations organizations since "so many people in Asia are being indoctrinated with the view that all American actions in the Far East are motivated by imperialist aims.

For other projects "it would be preferable to encourage a maximum of private business initiative. . . . But in certain types of special developmental projects it may even be desirable for private American business ventures to be partly guaranteed by the American government, as in the case of some of the special ECA projects in Europe."

* * *

THIS, then, is all these Far Eastern experts in America have to offer the peoples of Asia. Amazingly enough, while all four of the writers recognized the defeat of America's policy in China, not one of them understood the main lesson regarding American aid. That is, no amount of outside aid or western technicians and "management experts" can make any program work unless the government receiving such aid truly represents the people of that country and is uniting its efforts to raise the standard of living of the people.

Further, none of them realize what the defeat of America's policy in China, and now in Korea, means to the peoples in this part of the world. It has shown all colonial peoples that no amount of American aid, be it camouflaged through international bodies or missions, can in the long run keep them from achieving their own liberation.

And as the standard of living for the Chinese people continues to improve daily without any American aid, this lesson takes on more and more force for the liberation movements.

INFORMATION SERVICE ***published monthly by the All China Federation of Democratic Youth in Peking.***

THE All China Federation of Democratic Youth issues every month an "Information Service" in English which gives the activities of the youth of China in their Youth League, in the factories, on the farms and at schools. In addition, it includes feature articles, stories and poems.

THE REVIEW'S ENGLISH LESSONS

A COLLECTION of 20 English Lessons, originally appearing in the *China Weekly Review*, now published in book form. Covering a wide variety of subjects, the English Lessons make interesting reading matter for those people who are politically-minded. They are particularly useful to those who want to learn modern idiomatic English by the self-taught method.

Obtainable at the *China Monthly Review*, 160 Yenan Road, Shanghai (上海延安東路一六〇號密勒氏評論報.) JMP2,500 per copy, including postage. Discount of 20 percent for group purchase of 20 copies or more.

In the No. 16 issue, a particularly interesting article for foreign readers deals with the effect of the new marriage law on Chinese youth. Some very vivid accounts of past abuses are given and it is pointed out that the new law aims at uprooting the feudal customs under which women were no more than slaves. Another interesting article gives the history of the "Red Building," which is part of the University of Peking, where the May 4th Movement which launched the students' revolutionary activities was started.

Of particular interest to youth in other countries is the report on activities of young Chinese to promote world peace. For the youth all over the world are now crying out for peace; and Chinese youth, who have waged a bitter 30-year struggle to gain their freedom and independence, can offer a great deal in experience and ideas to the youth of other countries.

CHINESE WORKERS' PICTORIAL
published by the All-China Federation of Labor in Peking.

TWO issues of the *Chinese Workers' Pictorial* have been published by the All-China Federation of Labor in Peking since the beginning of the year. Both issues contain English captions and offer a graphic account of the struggles of the workers, their final victory and their present efforts at reconstruction.

The first issue has a colored cover of the mass meeting at the Asian Trade Union Conference held in Peking last November. A colored picture of Mao Tse-tung and pictures of other leaders of the Chinese revolution and trade union leaders are included. Of historical interest are the pictures of the martyrs of the Chinese working class and some of the mass demonstrations and strikes held by the workers in their past years of struggle. Included is a picture of the first strike in Chinese history held by the Hongkong Chinese Seamen's Trade Union in January 1922.

Other pictures show the atrocities and destruction which were legacies of the Kuomintang, and the present reconstruction work in restoring the railways, bridges and factories.

The second issue shows May Day, 1950 being celebrated in all the large cities of China. One large section is devoted to the rehabilitation of production in various industries. Of particular significance is the section showing the new cultural life of the workers, with pictures of their study classes, workers' cultural centers and athletic programs.

Both issues are beautifully produced in color and offer documented proof of the new life of the Chinese workers. After glancing through these two issues, one can only be impressed with the terrific struggle that faced workers in China in the past, and their great hope and confidence in the future.

Building a New Wuhan

WUHAN—the three adjacent cities of Wuchang, Hankow and Hanyang—are the geographical center of China. A traveler must pass through here either from Peking to Canton or from Chungking to Shanghai. Like all major cities of China, the people in Wuhan are energetically proceeding with reconstruction and production.

A large-scale Industrial Exhibition was held under the auspices of the Wuhan people's municipality from July 5 to August 15. It included seven departments: electrical works, textile industry, light industry, highway and navigation works, mechanical engineering, chemical industry and railways. Altogether 105 public and private factories participated in the exhibition with 3,384 various products and displays. During the more than one month it was held, over 200,000 visitors came to see Wuhan's products. In addition to the workers and residents of Wuhan, many people from Canton, Changsha and Kwangsi and Hupei provinces were attracted to the exhibition.

For Wuhan's man in the street, it was an education to see how steel is tempered, machines are manufactured, thread is woven, and soap is made, and the capacity crowds evidenced their keen interest in industrial production.

* * *

THE workers of Wuhan have already shown their strength and support of the people's government. On the eve of Wuhan's liberation, the workers bravely protected the factories and machinery.

A stevedore who works at the Chungnan Petroleum Co. has told his experience in defending the factory. Just a few minutes before the Kuomintang's evacuation, two minor KMT officers broke into the plant and demanded that three steel pontoons moored alongside the wharf be immediately blown up. After being paid 100 silver dollars, they promised to destroy only the smallest one. The workers entreated with them to spare all the pontoons, but they refused, for they had to report to their superiors that the orders had been carried out. The two bandits then forced the workers to fill the smallest pontoon with gunpowder and they themselves rowed a sampan over 50 meters away to the middle of the river. There they stood with pistols in their hands and waited for the explosion. But instead of the expected explosion, they heard the sound of cannon shots from behind them. They rowed as quickly as they could to the opposite bank of the river.

The pontoon was saved by a brave worker who raced to it to extinguish the fuse.

* * *

IN response to the call for repairing the railways as soon as the PLA advanced, the workers immediately went to work on the Three Iron Bridges at Tai-Chi-Shan, nine kilometers from the down-town section of Hankow. This bridge had been recklessly destroyed by the retreating KMT troops. On July 1, in commemoration of the anniversary of the Chinese Communist Party, the workers completed its reconstruction and now trains can go directly from Hankow to Peking.

Plans are being made to construct the Yangtze Iron Bridge, which before remained only a fancy. The people's government has allocated substantial funds to complete this bridge within the next three years. The bridge will span the Yangtze from Tortoise Hill to Snake Hill.

* * *

STUDY classes are in full swing all over Wuhan. Everyone in all circles, including housewives, is earnestly learning how to live a new life and work along new lines. The old-style employees do not, as before, spend most of their working hours reading novels, drinking tea and telling smoking-room stories. They are trying to keep abreast with the old cadres who are used to strenuous work.

Few clerks now would send the office boy out for such errands as "Go buy me two tickets to the Shanghai Theater," or "Go to Miss Lee's and fetch her note." Having studied a little of the history of social development, they now know that in serving the people, every man is on an equal footing. Their usual instructions now are, "Please, Lao Wang, be good enough to take these papers to the chief to sign," or "Lao Wang, kindly tell me when the subgroup meeting will take place, if you are informed of it."

In general, everyone is working at full speed. Few like to be backward, though the new times sometimes seem too much for some people to grasp. However, after a few months of basic cultural studies, many illiterates now have the courage to contribute their opinions to the press. Although their writing might provoke the virtuous indignation of a purist, the responsible editors are very ready to publish most of their letters and articles, since they do represent the viewpoint of a new society.

* * *

SINCE Wuhan's liberation, we have been offered a great deal of entertainment. The parades celebrating important days are always big occasions, with colorful streamers all over the city, drum and *yangko* dancers and those marching in masquerades. Men and women, both young and old, are skilful performers and cheerful onlookers.

An old railway worker who took part in the February 7 revolution in 1923 has said, "'Having rich revolutionary traditions, we workers of Wuhan thoroughly understand our responsibilities of joining the great reconstruction work of our free, new China."

— *S. F. CHOW*

Letter From Shanghai

A FILM comedy, "Crazy About Movies," has come along to poke fun at the avid fans of American movies one still encounters in Shanghai. Of all places in China long subjected to the steady flow of Hollywood products, Shanghai is the worst example. It has seen the springing up of groups, young and old, whose only idea of America is in terms of a typical Hollywood plot complete with male and female stars set against a background of adventure and plush.

"Crazy About Movies," with all its technical and story defects, does a good job of trying to knock away these illusions through the use of broad comedy as well as revealing the utter ridiculousness of people trying to ape something which is obviously false even in the country it stems from. Despite some obvious faults as a movie this picture, for Shanghai's "little airplanes" (the Shanghai equivalent of the zoot-suiter), is an eye-opener.

Another August release has been Shanghai's version of "The Women." In no way related to the cat-clawing upper-class females as portrayed on both stage and screen in America some years ago, this picture deals with the life of a group of middle-class women in Shanghai since liberation.

It depicts the development in the understanding of such women as to the new and freer role in life which lies before them. The picture opens on the day of liberation of Shanghai when great stock was still being placed in the rumor that the Communists would confiscate and share women. In the course of the story such topics as old-style oppression of wives by their husbands, the belief that widows in China should not remarry, and the problem of divorce are all gone into.

Especially interesting are the scenes which show the work of the neighborhood women's association. For Shanghai, with the largest middle-class of any city in China, "The Women" has much to offer.

Both "Crazy About Movies" and "The Women" were produced by private companies, and as a matter of fact the majority of movies being turned out in Shanghai are products of private motion picture companies.

* * *

HONGKONG, China observation post for the majority of the Western press, has been the incubator of an unusually large number of stories about this country which have little connection with reality. The ease with which the Hongkong news agencies and special correspondents send out stories on China which are totally unrelated to the facts only serves to bring into the open the unreliability of such reports.

For example, as far back as June 7, the *United Press* sent out a straight-faced report which stated, "Despite Russian and Chinese Communist efforts to keep foreign news reports from reaching the Chinese people, the Iron Curtain is full of holes . . . listening to foreign shortwave newscasts is forbidden."

It is now September, and while many people here don't find the Voice of America or the BBC interesting enough to listen to more than occasionally, the fact is that there is no and never has been anything resembling a ban on listening to shortwave broadcasts of any kind.

* * *

FOLLOWING the intervention of the American Seventh Fleet, on June 27, in patrolling the waters around Taiwan, there was great bravado about how Truman's ban on "mainland operations" was preventing the "gallant" KMT air force from striking at China. Not only does this make good copy from the Kuomintang standpoint but it also helps take attention away from the fact that the American action was a last minute attempt to forestall the inevitable end for Chiang—the capture of Taiwan by the People's Liberation Army.

Regarding KMT talk of hitting back at the China mainland with their completely made-in-USA air arm, it is worth noting that, from May 11 until June 27, when Truman made his declaration, not a single Kuomintang plane flew over Shanghai.

Following months of leisurely daylight bombing, one KMT plane was shot down by anti-aircraft fire on the night of May 11. During all the previous months of bombing a popular saying among many residents of Shanghai was "just shoot one of them down and they'll never dare come back."

As events turned out his was no empty talk but was based on people's knowledge to past showings of Chiang's air as well as land forces.

* * *

THE US government's talk regarding the subject of using the Seventh Fleet as a "neutralizer" and preventing either side from attacking Taiwan or the mainland has been shown to have been purely double-talk. Apparently there are some convenient openings in the Seventh Fleet's cordon around Taiwan, for the Kuomintang navy and planes have continued attacking foreign shipping, especially British ships bound for China out of Hongkong. The extent of how the Americans are working hand in glove with the Kuomintang is quite evident.

Along the same lines, it has been noted that the United Nation's International Refugee Organization had to go through certain "channels" before bringing a ship into Tientsin the last week in August. The purpose of the vessel, the "Annasalen," was to take a large number of European refugee and displaced persons, who had been living mainly in Shanghai, back to Europe or Israel.

After IRO obtained port clearance from the Tientsin harbor authorities it had to get KMT permission as well as clearance from both the US Navy and State Department to proceed to Tientsin. Actually, the Seventh Fleet's intervention in China waters is an attempt to bolster the Kuomintang's blockade of the China coast, which even the State Department is on record as officially regarding illegal.

* * *

Notes and incidentals. Ever since the liberation of Shanghai the radio stations have devoted more time to cultural programs. Music of all kinds has been on the increase. Special attention has been paid to folk songs and music from all over China. Music from foreign countries is frequently heard and recently a program of recorded Negro spirituals sung by Paul Robeson was given.

For devotees of classical music things also have looked up. The three B's certainly are heard more often today than a few years ago. The Shanghai Municipal Symphony Orchestra, sponsored by the city government, has been holding open air concerts throughout Shanghai's sultry summer.

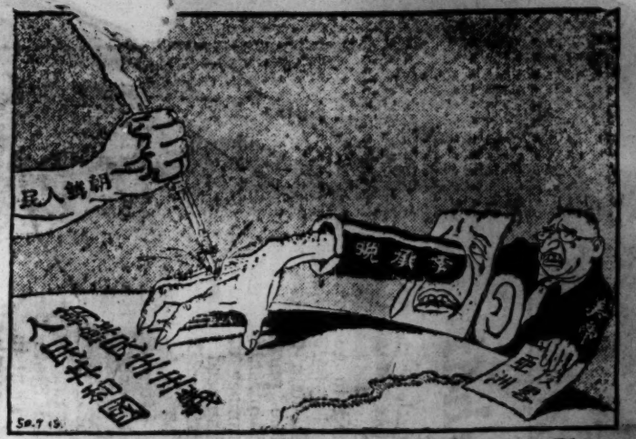
Life here for the average foreigner continues quite good. What with the phenomenal government achievement of stabilizing prices, after a 12-year span of nightmarish inflation, the cost of living is low. Restaurants serving foreign style food are doing good business and are usually 90 percent occupied by Chinese.

A steak dinner with all the trimmings is obtainable for about the equivalent of 50 cents in US money. On a hot summer's day one can cool off in an open-air pool at anywhere from 15 to 40 cents. The top price for a movie is less than 30 cents. The latter part of August witnessed the Shanghai General Labor Union, representing 1,000,000 Shanghai workers, laying plans for work during the last part of 1950. Among the resolutions was the urging of workers in foreign enterprises which are beneficial to China's economy to exert all effort towards production.

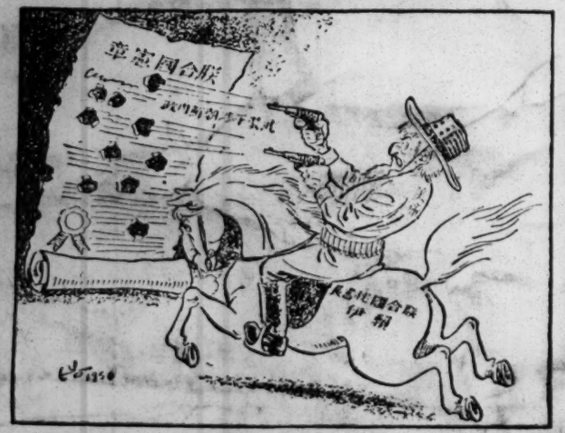
— *J. S.*

CHINESE CARTOONISTS VIEW US INTERVENTION IN KOREA

The American "magician" in Korea who converts living American soldiers into skeletons.



American aggression, working through Syngman Rhee, being stopped by the Korean Democratic Republic.



Uncle Sam riding on Trygve Lie and shooting up the UN Charter.

"Meeting" the North Korean army.

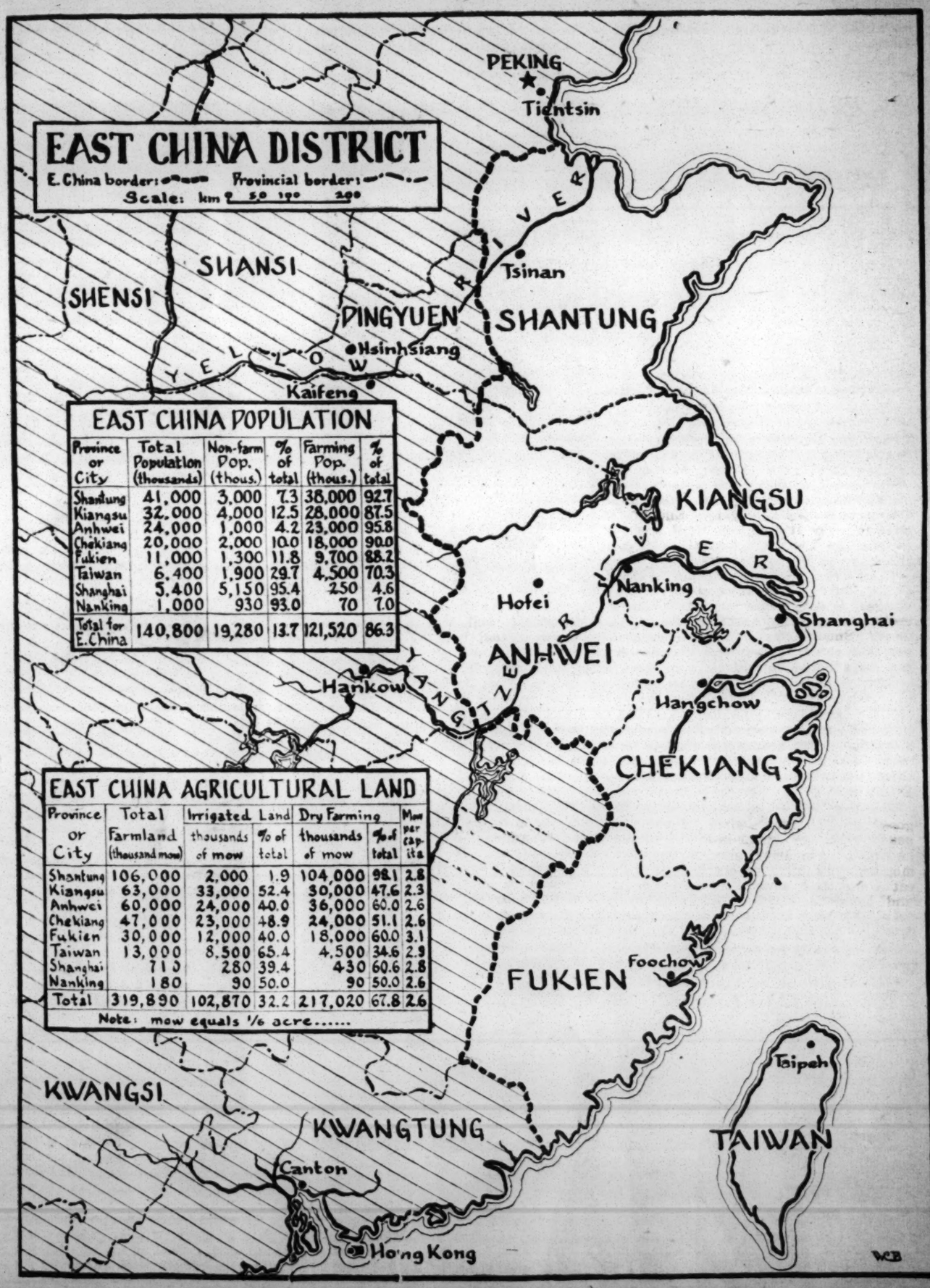
After retreating from Chunan, Truman forces the UN to give MacArthur its flag.

America and her Security Council puppets, including KMT China on Acheson's foot.

The different forces of American reaction, headed by Wall Street, are shown fleeing from one of America's "no more retreat" lines in Korea.

Jao Shu-shih: Land Reform in East China

Tseng Shan: Financial and Economic Work in East China



EAST CHINA POPULATION

Province or City	Total Population (thousands)	Non-farm Pop. (thous.)	% of total	Farming Pop. (thous.)	% of total
Shantung	41,000	3,000	7.3	38,000	92.7
Kiangsu	32,000	4,000	12.5	28,000	87.5
Anhwei	24,000	1,000	4.2	23,000	95.8
Chekiang	20,000	2,000	10.0	18,000	90.0
Fukien	11,000	1,300	11.8	9,700	88.2
Taiwan	6,400	1,900	29.7	4,500	70.3
Shanghai	5,400	5,150	95.4	250	4.6
Nanking	1,000	930	93.0	70	7.0
Total for E. China	140,800	19,280	13.7	121,520	86.3

EAST CHINA AGRICULTURAL LAND

Province or City	Total Farmland (thousand mow)	Irrigated Land: thousands of mow	Irrigated Land: % of total	Dry Farming: thousands of mow	Dry Farming: % of total	Mow per capita
Shantung	106,000	2,000	1.9	104,000	98.1	2.8
Kiangsu	63,000	33,000	52.4	30,000	47.6	2.3
Anhwei	60,000	24,000	40.0	36,000	60.0	2.6
Chekiang	47,000	23,000	48.9	24,000	51.1	2.6
Fukien	30,000	12,000	40.0	18,000	60.0	3.1
Taiwan	13,000	8,500	65.4	4,500	34.6	2.9
Shanghai	710	280	39.4	430	60.6	2.8
Nanking	180	90	50.0	90	50.0	2.6
Total	319,890	102,870	32.2	217,020	67.8	2.6

Note: mow equals 1/6 acre.....

The different forces of American reaction, headed by Wall Street, are shown fleeing from one of America's "no more retreat" lines in Korea.

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JAO SHU-SHIH'S REPORT ON LAND REFORM IN EAST CHINA

The following report was submitted to the second plenary session of the East China Military and Administrative Committee on July 14. It analyzes the task of agrarian reform with particular reference to the conditions obtaining in east China. (The full text of the agrarian reform law appeared in the July 15 Review, and Liu Shao-chi's discussion of the law in the July 22 Review.) Jao Shu-shih is the Chairman of the East China Military and Administrative Committee.

* * *

Fellow members, comrades and gentlemen:

The Agrarian Reform Law of the People's Republic of China has been ratified and promulgated by the Central People's Government. While submitting the draft agrarian reform law to the Second Plenary Session of the National Committee of the People's Political Consultative Conference, Vice-Chairman Liu Shao-chi made a detailed report on the basic content of the agrarian reform policy and the measures for carrying out agrarian reform. As these regulations and instructions are in accordance with the practical conditions and the interests of the people of East China, we should resolutely execute them and struggle for their thorough realization.

Jao Shu-shih

I.—Approximate Plan for East China Agrarian Reform

In East China agrarian reform has been fundamentally completed or has been carried out in an area with a rural population of about 45 million, including 32 million in Shantung, 10 million in North Kiangsu, and three million in North Anhwei. The newly-liberated area where agrarian reform has not yet been effected has a rural population of about 70 million. During the period of more than one year since liberation, and following mass campaigns to wipe out bandits, oppose local despots and reduce rents, to distribute burdens evenly and to give relief through production, peasants' associations have been up in most areas, the membership of which has reached 11 million, including 800,000 people's militia. Furthermore, people's representative conferences and peasants' representative conferences at county, district and hsiang levels have generally been convened. In many areas, preliminary democratic reform of rural administrative power has been carried out.

Ever since the East China Military and Administrative Committee decided to accomplish basically the task of East China agrarian reform within two years, active preparation has been started in various places. It is estimated that agrarian reform will be carried out this winter in an area with a rural population of about 50 million, including five million in Shantung, nine million in North Kiangsu, 10 million in South Kiangsu, eight to 10 million in North Anhwei, four million in South Anhwei, 11 million in Chekiang, and two to three million in Fukien. Apart from these, there is still an area with a rural population of more than 20 million, such as some parts of North Anhwei and Chekiang and most parts of Fukien, where, since the conditions for agrarian reform are not yet mature, preparations must be made to create the conditions for agrarian reform through mass mobilization by campaigns to wipe out bandits, reduce rents, evenly distribute burdens and give relief through production in order to carry out agrarian reform after the autumn of 1951. If we can advance with assured steps and avoid deviations, it is possible basically to accomplish agrarian reform in East China within two years.

II.—Opinions on Practical Measures for East China Agrarian Reform

In Vice-Chairman Liu's report, detailed instructions and elucidations have been given on the basic reason and basic aim for agrarian reform, on the confiscation and requisition of land, on some questions on land distribution, on some points to which attention must be given during agrarian reform, and on the problem of preserving the economy of the rich peasants. We must firmly observe all these instructions, especially the instruction given to us by Vice-Chairman Liu: "Now we are in entirely new conditions and it is absolutely necessary to adopt in our proposed agrarian reform law the policy of eliminating the feudal system and preserving rich peasants' economy." He instructs us: "Chaotic conditions cannot be allowed to occur and no deviation or confusion may be allowed to remain for long uncorrected in our future agrarian reform work. Agrarian reform must be carried out, under guidance, in a planned and orderly way, in complete accordance with the laws and decrees promulgated by the Central People's Government and the people's governments at various levels, and the principles, policies and steps decided by them." He instructs us that our general line during future agrarian reform is that "reliance should be placed on the poor peasants and farm laborers, while uniting with the middle peasants, neutralizing the rich peasants, eliminating the feudal exploitation system step by step and with discrimination, and developing agricultural production." He instructs: "Every step in agrarian reform should truly take into consideration and be closely coordinated with the development of rural production." All these should be given special attention and be strictly observed in our future agrarian reform work in East China.

Rural conditions in the newly-liberated areas in East China, especially in the Shanghai-Nanking-Hangchow-Ningpo area, are rather complicated. For instance, there are larger numbers of landlords who concurrently engage in industry and commerce and of industrialists and merchants, who concurrently rent out lands. Not a few workers, employees and men of liberal professions hold and rent out small parcels of land, while permanent tenancy is more wide-spread. There are also more public lands and public grounds, while in some individual areas the acreage of land utilized by the big tenants is greater. Besides, the new areas in East China have been long liberated, therefore the remnant forces of bandits and special agents are not yet thoroughly liquidated. The landlords south of the Yangtze River have more experience in management, and the masses are not yet fully mobilized. On the other hand, our cadres, in both number and quality, are not entirely satisfactory, while the coordination between the outside cadres and the local masses is none too close. The veteran cadres lack experience in the new field, while the new cadres have not yet been steeled and tempered by class struggles. Consequently, the policy of deliberately and carefully advancing with assured steps should particularly be followed while leading the agrarian reform in the various places of East China. Now in line with the Agrarian Reform Law and the instructions outlined in Vice-Chairman Liu's report and on the basis of the characteristics of the East China situation, I wish to put forth for your consideration, examination and rectification the following opinions on practical measures for agrarian reform in East China:

(1) The procedure of dealing with landlords, according to the regulations of the Agrarian Reform Law and the instructions of Vice-Chairman Liu, should be as follows: "Landlords' draught animals, farm implements, and their surplus grain and surplus rural houses should be confiscated at the same time as their land... Land which the members of the families of the landlords cultivate themselves may be retained for the most part after making adequate readjustment, and the rest should be confiscated . . . Except for the above cases, other properties of the landlords including their industrial and commercial enterprises must not be confiscated." We must observe these strictly. Only the surplus grain and surplus houses of the landlords in rural villages should be confiscated, and a share must be first retained for the landlord before distribution.

Not a few landlords have farmhouses in rural villages for tenants' dwellings, and also have villas for the landlords' individual enjoyment. dwellings, and also have villas for the landlords individual enjoyment. With regard to the former kind of houses, they are suitable for occupation by peasants, and should be distributed to the peasants according to regulations; with regard to the latter kind of houses, they are unsuitable to be utilized by the peasants for production and would be of little use for distribution, and would even undergo unnecessary damage. Therefore, they should be taken over by and placed under the government, to be appropriated for rural cultural and educational sites and other public functions. This will be beneficial to the peasants.

With regard to landlords' grain, after deducting rent reduction, payment of public grain and their own food requirements in tiding over next spring, the surplus grain should be distributed to the peasants according to regulations. In case the landlords actually retain no surplus grain after the above deductions are made, the peasants should be persuaded to desist from further demands on them. Other properties of the landlords, including their industrial and commercial enterprises, are not to be confiscated. This is definitely for the protection of industry and commerce. Owing to the fact that south of the Yangtze River there are great numbers of landlords who concurrently engage in industry and commerce, it is difficult to distinguish, in a short time, the other properties of the landlords from their industrial and commercial enterprises. If the other properties of the landlords are also confiscated, their industrial and commercial enterprises might also be affected. Naturally, such other properties of the landlords which actually are not connected with industry and commerce might also be exempted from infringement due

to this regulation. With regard to the peasants, this is against their interests. However, in order to avoid confusion, it is better to allow the landlords to keep these properties and enable the landlords to invest them in production. This will be beneficial to society as a whole.

(2) Land and properties of industrialists and merchants in rural villages should be dealt with properly. The Agrarian Reform Law stipulates: "Land and peasant dwellings in the countryside which are owned by industrialists and merchants shall be requisitioned." This is fully necessary and correct. It is because the requisition of the land and properties of the industrialists and merchants, which are connected with feudalism, will help the impoverished peasants partially to solve the difficulties of land and dwellings and to enhance their enthusiasm on the one hand, and will not, on the other hand, affect the industrial and commercial enterprises but will be beneficial to the development of industry and commerce as the peasants' enthusiasm for production is enhanced. Besides, the Agrarian Reform Law further stipulates that other rural properties and lawful enterprises of industrialists and merchants shall not be infringed upon. This refers to the land and properties used directly for the operation of industrial and commercial enterprises, such as private dwellings, plants and warehouses held by industrialists and merchants in rural areas, and other rural investment operations beneficial to agricultural production.

(3) Both Chairman Mao and Vice-Chairman Liu Shao-chi explained in detail the reasons for preserving the rich peasant economy in their reports delivered at the third session of the Central Committee of the Chinese Communist Party and at the second session of the PPCC National Committee respectively. Especially in the Shanghai-Nanking-Hangchow-Ningpo area where the population is concentrated, foodstuff is short and the technique of agricultural production is comparatively advanced, rural production directly affects the city's supply of raw materials and foodstuff. That is why in this area, except those rich peasants of semi-landlord type who rent out more land than the land they cultivate themselves and by hired laborers, and whose rented-out land should be requisitioned, the rented-out land of all the other rich peasants should in general not be touched. The small parcels of land rented out by rich peasants in other districts of East China area should be dealt with in accordance with Article 6, second paragraph; but in certain special districts, part or all of the land rented-out by rich peasants may be requisitioned with the approval of the people's governments of provincial or higher levels.

(4) In accordance with Article 5 of the Agrarian Reform Law, special consideration should be accorded to revolutionary armymen, dependents of martyrs, workers, employees, professional people, peddlers, and others who, because they engage in non-agrarian occupations or lack labor power, rent out small parcels of land. This is necessary. In order to reward the meritorious, special consideration should be accorded to revolutionary armymen, immediate relatives and direct descendants of martyrs who rent out small parcels of land. This is what the majority of the people will support. Especially in the Shanghai-Nanking-Hangchow-Ningpo area, a greater portion of the population dwells in cities and consequently they consist of workers, employees, professional people and peddlers who rent out small parcels of land. These persons who rent out small parcels of land are mostly manual or brain workers, who are fundamentally different from the landlord class, and therefore should not be treated as landlords. The land rented out by these people should be appropriately dealt with in strict accordance with Article 5 of the Agrarian Reform Law, because by so doing it will benefit not only the solidarity between workers and peasants but also the solidarity of the entire working masses of both cities and rural areas. At the same time, consideration should especially be given to widowers, widows, old persons living alone, orphans and invalids who depend on the land rented-out for their livelihood, because China does not yet have social insurance for unemployed persons and those who have lost their labor power. Moreover, much of such land has been bought by the individual's own labor. Hence, there are some advantages in allowing such persons to retain this part of their land and continue to rent it out or to cultivate it themselves."

In East China, there is a comparatively larger number of overseas Chinese living abroad who work hard and suffer from racial discrimination and oppression. Therefore, we should give consideration to overseas Chinese. Land and houses owned by overseas Chinese should be handled in accordance with appropriate measures determined by the provincial people's government on the principle of due recognition for the interests of overseas Chinese.

(5) There is comparatively more public land in the East China area. (According to investigations, in some East China districts 10 to 15 per cent of the total arable land consists of public land, or even as much as 20 per cent sometimes.) This should be dealt with in accordance with Article 3 of the Agrarian Reform Law. In handling land belonging to religious establishments and ancestral shrines, consideration must be given to religious sentiment and ancestral traditions of the people. In requisitioning land of religious establishments, monks, nuns, Taoists and priests who have no other means of livelihood and are willing and able to take up agricultural production, should be given shares of land and other means of production similar to the peasants. Land owned by mosques may be retained by them subject to the consent of the Moslems residing in the area. In distributing land belonging to ancestral shrines, opinions of the peasants of the same patriarch should be taken into consideration and due regard should be given to the needs of landless or land-poor peasants of the family. If the law-breaking elements of the landlord class take advantage of agrarian reform to stir up religious disputes or disputes pertaining to ancestral shrines, such elements should be severely punished by the people's court in accordance with law.

(6) Firmly to consolidate the middle peasants is the key to the thorough success of agrarian reform. Therefore, the land and property of middle peasants must be firmly protected and should not be infringed upon. Any act that infringes upon the interests of the middle peasants is erroneous and dangerous.

(7) The fundamental content of agrarian reform is the confiscation of the lands of the landlord class to be distributed to landless and land-poor peasants. Therefore, the land and other means of production confiscated during agrarian reform should first be appropriated among poor peasants. But owing to the policy of preservation of rich peasants' economy and consideration for persons who rent out small parcels of land, poor peasants will consequently receive less land and means of production. Regarding this drawback and the resultant difficulties, the poor peasants should be educated politically and made to understand that under the new situation of national victory today, it is necessary to preserve the rich peasant economy and to give consideration to persons who rent out small parcels of land in order to consolidate political power and to maintain and develop production. Poor peasants should be educated so that after agrarian reform they will strive to overcome difficulties, promote production, and improve livelihood by careful cultivation of land, applying more fertilizers, improving soil conditions, and practicing mutual aid. On the other hand, the various local people's governments should release loans systematically, and adopt other possible and necessary means to help poor peasants solve their difficulties after land distribution.

Farm laborers in general should be given land similar to the peasants. Disputes between employers and farm laborers who continue such labor should be solved according to the measures adopted in solving labor-capital disputes in cities and on the principle of benefiting both labor and capital and developing production. We must constantly keep in mind the interests of the farm laborers, look after their livelihood and strive constantly to raise their political consciousness and their cultural standard. On the other hand, we must patiently educate the farm laborers to prevent "leftist" sentiment and deviation. No demand must go beyond the scope permitted by the present economic situation. If they exceed the scope, nobody will employ farm laborers. This will result in unemployment for farm laborers and in ruining agriculture, to the disadvantage of both farm laborers and production.

(8) Because the relationship of tenancy is complicated in the rural districts of East China, caution must be exercised in handling matters regarding adjustment of, reduction of, or addition to, land rented by peasants which is subject to requisition and confiscation. Appropriate consideration should be given to the interest of the tillers within the scope of the stipulations of the Agrarian Reform Law, to prevent the tillers from suffering any loss, or to minimize such loss as much as possible. This is beneficial to the solidarity among the peasants themselves and to maintaining the level of production. In adjusting land, the "surface right" of which has rented out to tillers, a portion of land equal to the value of the "surface right" should be reserved for the tiller.

(9) Differentiation of rural class status is a complex and extremely important work in the agrarian reform. It is the key to whether agrarian reform can be carried out correctly and thoroughly. Leading organs at various levels must tackle this in earnest in accordance with the forthcoming decisions to be promulgated by the Central People's Government and on the principles pointed out by Vice-Chairman Liu Shao-chi in his report.

In differentiating rural class status, the said decisions on differentiation of rural class status must be clearly explained to the entire people. Solutions may be reached only through such methods as self-assessment and public discussion, democratic assessment and approval by upper levels. If any person concerned does not agree with the result, an appeal may be lodged with the county people's court after approval and the latter will pass judgment and carry it into effect.

But the class status of most of the population in the rural areas is clear and can easily be differentiated without much divergence of view. Their class status should first be ascertained. In the case of a small proportion of the people whose class status is not clear and difficult to differentiate and where there is divergence of view, they should be dealt with later and classified after thorough study and after obtaining advice from the higher authorities.

(10) In carrying out agrarian reform, every step should be coordinated with the restoration and development of agricultural production. All measures should be geared with a view to benefiting production, while all work must be in keeping with the season of agricultural production and must not interfere with farming. In areas devastated by calamity, the primary effort should be to lead the people to tide over the period of food shortage. To slaughter draught animals, to fell trees, to let land lie untended, to destroy farm implements, irrigation works, buildings, crops, etc. on the part of landlords are strictly prohibited. Offenders will be tried and punished by the people's court. The fruits of agrarian reform should be devoted to production. Any phenomena of corruption, squandering or subversion should be opposed. The greatest efforts should be made to preserve all serviceable means of production and livelihood. The central task of any area that has completed its agrarian reform should be the organization of the masses for production.

III.—Different Elements of the Landlord Class Should be Treated Differently

As Vice-Chairman Liu Shao-chi has directed, "the agrarian reform is a systematic and fierce struggle." Today, although the people's government is much more lenient than before in dealing with landlords

during agrarian reform, yet some landlords are likely to oppose and sabotage agrarian reform. There were many such occurrences, in the past, of illegal acts in contravention of the Agrarian Reform Law of the people's government. We should not expect that after an overall victory, the agrarian reform can be carried out smoothly and peacefully. Therefore, we should treat the different elements of the landlord class differently. The attitude toward despotic and non-despotic landlords should be distinguished. Any landlord who will abide by the Agrarian Reform Law of the people's government and will turn over his land and other means of production, should be dealt with leniently in accordance with law and be given land and other means of production similar to peasants, so as to enable him to make a living from his own labor and to improve himself through labor.

The enlightened gentry, who cooperated with the people in the anti-Chiang and anti-U.S. struggles in the past and who support the agrarian reform, and the families of revolutionary armymen and revolutionary cadres who belong to the landlord class, should be encouraged to set themselves as examples in observing the law. Consideration should be accorded to them after they turn over their land and other properties. With intellectuals who come from landlord families, the method of winning over and remolding should be adopted. The reactionary, despotic landlord elements who resist or sabotage the agrarian reform should be punished resolutely and should not be treated with leniency and connivance. The people's government of provincial or hsiang level should start promptly in curbing and arresting such elements and bring them to the people's court to be tried and punished in accordance with law.

In order to carry out the agrarian reform thoroughly and correctly, the possible occurrence of deviations, such as infringing upon the interests of middle peasants, treating rich peasants or persons who rent out small parcels of land on the same footing as landlords, or protecting and sheltering landlords or serving as "air-raid dugouts" for landlords, should be prevented.

IV.—Strengthen the Organization of Peasant Associations and Establish an Extensive Anti-Feudal United Front in the Rural Areas

With a view to abolishing the land ownership system of feudal exploitation by the landowner class, it is necessary to rely firmly upon the farm laborers and poor peasants and to unite with the middle peasants in organizing the broad peasant masses into peasant associations. In the meantime it is necessary to form an anti-feudal united front in the rural areas, concertedly to oppose the feudal exploitation system by uniting all anti-feudal elements in the rural areas that are not members of the associations, including the enlightened gentry who support agrarian reform. We should develop and strengthen the organization of the peasant associations through different movements. Farm laborers, poor peasants, middle peasants and poor revolutionary intelligentsia, as well as other laboring people in the rural areas, should be absorbed into the peasant associations on a widespread scale, thus really making the peasant associations a solid base for uniting the broad peasant masses in the rural areas and for carrying out agrarian reform.

In order solidly to unite with the middle peasants, it is unnecessary to form trade unions or poor peasants' leagues in addition to the peasant associations. But it must be ensured that poor peasants can play a predominant role in the leading organs of the peasant associations while the active elements of the middle peasants are also drawn in to share the leadership. (Generally, poor peasants and farm laborers form two-thirds of the leading members while the remaining one-third are chosen from among the middle peasants.)

Peasants' associations must also attract peasant women and peasant youth to participate in the agrarian reform work. Vice-Chairman Liu Shao-chi has rightly said: "The peasant associations must, in practice, pay attention to recruiting the women of peasant families as members and to drawing active women into participation in the leadership. It is necessary to call women's meetings or women's representative meetings within the peasant associations so as to safeguard the interests of women during the agrarian reform, to safeguard the social rights of women and to discuss all kinds of women's problems." All laboring young men in the rural areas should be drawn into the peasant associations and play an active role in consolidating the organization of peasant associations and in carrying out the agrarian reform work.

To have competent leaders in the peasant associations is a decisive factor for the correct performance of the agrarian reform movement. Peasant associations should be formed promptly where no such organizations exist. The peasant masses should be mobilized to hold re-elections when the leaderships of peasant associations prove to be inadequate. All the cadres assigned to agrarian reform work should participate in the peasant associations in order to strengthen their leadership. Besides, we should try to discover, unite with, and educate the peasant cadres and active elements through all aspects of daily activities of the peasant associations with a view consciously to build up the bulwark of the associations. Peasant associations should become the main organizational forms and executive bodies of the powerful forces of agrarian reform.

We should utilize on an extensive scale the county, district and hsiang people's representatives conferences, peasants' representatives conferences and different round-table talks to discuss and decide upon various important problems, to publicize policies, to make contacts with the masses and to unite with people of all sorts. Elucidation of the agrarian reform policies and decrees of the people's government should be extensively carried out among workers, students, employees, industrialists, businessmen and PLA units so as to create a universal public opinion in suport of agrarian reform. Workers, students, employees, industrialists, businessmen, revolutionary intelligentsia and enlightened gentry will all be welcome to participate in the publicity work of agrarian reform. The working class, revolutionary intelligentsia, government workers and PLA commanders and fighters should positively help the peasants to carry out the agrarian reform. Industrialists, businessmen and enlightened gentry should also support the agrarian reform of peasants by deeds.

V.—Different Policies for Different Areas

With a view to actually carrying out agrarian reform under guidance and in a planned and orderly way, it is necessary to set the pace of the work on the basis of concrete situations at specific times and places as well as in accordance with differing circumstances. Generally speaking, in East China there are four kinds of areas where agrarian reform has been, or will be, carried out at different stages:

(1) The agrarian reform can be carried out after this year's autumn public grain delivery in those areas where the situation has been stable, famine has been overcome, the organization and political awakening of the masses has reached the required standard, cadres, after having studied the remolding of the working style, are self-confident of a successful leadership and preparations are well made.

(2) Land distribution should not be carried out this autumn or winter in those areas where KMT special agents and bandits have not yet been thoroughly exterminated, famine has not been overcome, district and hsiang administrations have not been reorganized, serious shortcomings prevail among the peasant association cadres and preparations are not yet completed. Under these circumstances, efforts should be concentrated on the mobilization of the masses in order to proceed with bandit suppression, rent reduction, relief through production and remodelling of the working style. Through these tasks, the prerequisites for the agrarian reform can also be created.

(3) Agrarian reform should not be carried out this autumn or winter in those areas where land ownership and tenancy are too complicated and a successful leadership cannot be ensured (for instance, in the suburbs of certain big cities or in the neighboring districts of the suburbs) despite the fact that the masses are well qualified to take up the work. On the contrary, efforts should be directed to investigation and study, establishment of model experiments and acquirement of experience so as not to upset public order and affect production.

(4) Existing questions should be solved and readjusted one by one on the basis of correct policy and intensified consolidation, while the present situation should be maintained in such old liberated areas as Shantung and a part of North Kiangsu where agrarian reform has long since been completed. The main tasks in these areas are to define land-ownership at an early date, to issue land-ownership certificates and to carry on the restoration and development of production. However, agrarian reform should be put into practice in certain specific newly liberated areas within such old areas in accordance with the decrees laid down in the Agrarian Reform Law.

Moreover, for the areas where agrarian reform will be carried out this autumn or winter, it should be stipulated and announced that land should be tilled as usual this autumn or winter on the principle of tillers owning the crops. Otherwise peasants who will own the land must pay the original tillers all costs spent on cultivation and fertilization of the land before the land distribution so as to benefit the autumn harvest and sowing. For those areas where agrarian reform will not be carried out this year, it should be announced that, in order to help production, the original tenancy should be maintained while rent reduction and rent payment are continued.

VI.—Form Strong Leadership

In order truly to carry out agrarian reform in a planned, orderly way and under guidance, it is necessary to set up firm leadership. The people's governments at various levels must completely grasp the leadership in agrarian reform and the occurrence of any chaotic and lawless condition must be absolutely guarded against. To ensure leadership in agrarian reform, the process of uniting the government with the masses and cadres with peasant associations, should be adopted. Cadres assigned to agrarian reform work in rural districts by superior organs must participate in the local peasant association and unite well with the active members of the local peasant association to guide the work of agrarian reform jointly.

Working cadres for agrarian reform in various parts of East China should finish their training before the autumn harvest. In training these cadres, the remolding of the working style should be carried out simultaneously as a means to overcome defective ideology and bad style of work. At the same time, various provinces, special administrative districts and counties of the East China Area should carry out model experiments in agrarian reform separately. Experience gained in such experiments would form material to educate cadres with. It is necessary to hold conferences of cadres and of peasant representatives successfully, to sum up typical experiences, to define the scope of land distribution in accordance with the progress of the preparatory work for the agrarian reform. Plans for agrarian reform should be worked out beforehand from the hsiang level upwards. These plans should also be submitted to the governments of higher level for examination and approval.

Before the autumn public grain collection, it is necessary to dispatch the entire personnel for agrarian reform to the countryside to accomplish firstly the task of autumn public grain collection and secondly to carry out the task of agrarian reform, in accordance with the method of "overall arrangement and concentration of forces at keypoints." In carrying out the task of land distribution, the method of "to attack typical cases and extend step by step" should be adopted. That is to

say to carry out land distribution in model experimental hsiang in advance. After achievements and experiences have been gained in these typical points, expansion should be made gradually to the neighboring districts.

As soon as the agrarian reform begins, the guiding organs of people's governments at various levels should fully utilize all possible modern communication facilities, set up a close network of correspondence and liaison, and dispatch roving inspection groups to various districts where agrarian reform is being carried out to examine the work just like directing a war. It is also necessary to strengthen and pay more attention to the leadership over the press. At the same time, the chief cadres at each level should penetrate into the work of lower levels in order to grasp leadership, to discover and solve problems promptly, to overcome deviations, to exchange experiences and to accelerate the movement.

In the movement of agrarian reform, a strict system of reporting to and soliciting instructions from the governments of higher level must be set up; the eight disciplinary rules must be strictly observed; the entire policy of the agrarian reform must also be strictly followed. Matters which are within the scope of the Agrarian Reform Law and directives from governments of higher level may be undertaken, while matters which are not allowed by these stipulations must not be carried out. New problems arising from the movement must be submitted to governments of higher level for instructions and solutions. It is not permissible to settle these new problems according to one's own way. In carrying out the agrarian reform, should any serious mistake occur in a certain district which cannot be rectified in time, the agrarian reform of that district must be suspended temporarily so as not to aggravate the mistake.

VII.—Conclusion

Fellow members, comrades and gentlemen:

Chairman Mao has instructed us that the accomplishment of agrarian reform is one of the three conditions necessary to attain the basic turn for the better in the financial and economic situation of the state. We must strictly observe the Agrarian Reform Law of the People's Republic of China and the principles pointed out by Vice-Chairman Liu Shao-chi in his report on agrarian reform. We must strengthen the leadership and mobilize the masses trustfully. Let us strive for the successful accomplishment of agrarian reform. Let us strive for the consolidation of the people's democratic power and for the speedy recovery and development of production.

REPORT ON EAST CHINA DISTRICT FINANCIAL AND ECONOMIC WORK

The following report was given by Tseng Shan, vice-chairman of the East China Military and Administrative Committee, on July 15. Submitted to the second plenary session of the Committee, the report reviewed the financial and economic developments in East China for the preceding five months, and the tasks to be undertaken by the government.

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Chairman Jao, members of the committee and comrades:

At the First Plenary Meeting of the East China Military and Administrative Committee convened towards the end of January, 1950, I pointed out, based upon Chairman Jao's report on "The Tasks of the East China Military and Administrative Committee," and the conditions of financial and economic work carried out in the East China area at that time, the concrete tasks of the East China financial and economic work. Thereafter, new arrangements, based upon the important decisions and directives of the Government Administration Council and the Financial and Economic Affairs Committee of the Government Administration Council of the Central People's Government and upon the developments of conditions in the area, were made by the East China Military and Administrative Committee. In the past five months, under the unified leadership of the Financial and Economic Affairs Committee of the Government Administration Council and the East China Military and Administrative Committee, and with the support, assistance and endeavors of the people of the whole area, the personnel of various people's governments of all levels and democratic persons in all walks of life, considerable achievements were attained in the field of finance and economy in East China. But there were shortcomings and errors, due to our inexperience and insufficient knowledge of the newly liberated area. The following report on certain salient points in the execution of our work is made for your examination and rectification.

Tseng Shan

I.—Centralization of Financial and Economic Work

The promulgation of the "decision on centralization of national financial and economic work" on March 3 by the Government Administration Council is a vital step and one of the most important administrative measures since the founding of the Central People's Government. It is aimed at the balance of income and expenditure in national finance, at stabilizing currency and commodity prices, at overhauling national economy and at building up a new democratic economy.

In order to ensure the thorough implementation of this decision in the East China area, the East China Military and Administrative Committee promulgated a directive to guarantee the thorough execution of the Central People's Government's decision on the centralization of national financial and economic work. Good results were achieved by the people's governments of all levels in the area in the execution of the aforesaid directives and decisions.

Regarding the readjustment of revenue, the public grain collected in 1949 from various districts reached 98 per cent of the target. Remedies were accorded to the overtaxed and heavily-burdened tax payers in accordance with the "directive concerning erroneous deviation in the collection of public grain," issued by the East China Military and Administrative Committee. After the preliminary readjustment of urban revenues, 88.9 percent of the plan was achieved in the period from January to May. In accordance with regulations, both state-owned and private enterprises paid taxes just the same, with some of the former surrendering part of their profits and depreciations. Up to the end of May, government bond subscription in East China reached 489,500,000 units, exceeding the government allocation by 8.7 per cent, while the amount paid on these bonds totalled 400,800,000 units, or 89.1 per cent of the task assigned by the Central People's Government.

Regarding the unifying of income and expenditure and the control of cash, a total of 472 treasuries were set up in the area, which made it possible for the revenues of the area to be handed in to the central treasury within the prescribed time; a large part of the funds appropriated to various organizations and army units were deposited in the People's Bank wherever cash control was practicable. Similar treasuries were set up among the trading, railway, postal and telegraphic enterprises to put the capital of these enterprises under the unified appropriation of the state.

Regarding the retrenchment of expenditure, all the organizations made a preliminary check of the number of their staff personnel in accordance with the national retrenchment and reorganization program. Any need for supplementary personnel was to be met from among those who had been curtailed; at the same time, various austerity drives and anti-squandering and anti-corruption movements were extensively unfolded.

Regarding warehouse check-up, large stocks of resources, after being cleared and appraised, were used to help offset the disbursement of public finance and to facilitate the unified control of cash on the part of the Central People's Government.

The execution of the aforesaid tasks has been instrumental in balancing national income and expenditure and stabilizing currency and commodity prices.

II.—Readjustment of Relations Between Public and Private Enterprises

At the 7th meeting of the Central People's Government Council, Chairman Mao directed that for the next few months, the emphasis of work for the leading economic and financial organs of the government should be laid on the readjustment of relations between public and privately operated enterprises, and between various departments of public and private enterprises, in order to rectify the state of anarchy now and to enable the five components of economy, under the leadership of state economy, to coordinate, and play their respective parts to the best advantage. Preparations were carefully made in accordance with the directives of Chairman Mao and plans of the Financial and Economic Affairs Committee of the Government Administration Council with regard to distribution of processing work, placing orders for goods and granting of credit loans.

Assistance was given especially to private industries beneficial to national welfare and the people's livelihood but which were confronted with difficulties. In this respect, we have done quite a deal of work before. According to statistics at the end of April, the balance of loans made to private industrial and commercial establishments by the state and joint state and private banks amounted to JMP 264,400 million.

The processing work allocated to the private textile mills throughout the whole area by the state-operated China Cotton, Yarn and Cloth Co. comprised some 300,000 bales of yarn and 710,000 bolts of cloth. Between September 1949 and March this year, the Department of Industries of East China placed orders with private factories engaged in producing electrical apparatus, machinery, steel and iron, and metals in order to maintain them in operation. These orders amounted to the equivalent of 20 million catties of rice, being 31 percent of the total volume of goods ordered by the Department then. The state-operated China General Steam Navigation Co., from June last year to April this year, allotted 30 percent of its freight for rice and coal to private shipping lines.

The state-operated Miscellaneous Goods Co. and the Commercial Trust Co., from July last year to April this year, supplied private rubber factories with 90 per cent of their essential raw materials and purchased 43 per cent of their rubber shoe products. During the lunar new year and last April, when private enterprises experienced financial stringencies, the Trade Department of East China bought from them over JMP 600,000 million worth of goods that could not be easily disposed of on the market.

"In the past the People's Government has failed to look after the interests of private enterprises, and it is only now that both public and private enterprises are given equal attention," some circles said.

This is not a fact. It must be admitted however that in prescribing fees for processing, in fixing wholesale and retail prices, and in setting up differential prices between one district and another, some irrationalities existed.

Since the directive of Chairman Mao, we have more systematically improved our work of granting loans, allocating processing work, placing orders, and purchasing goods.

During May and the first half of June, the state-operated China Cotton, Yarn and Cloth Co. of East China commissioned to private textile mills the processing of 30,541 bales of yarn, 462,363 bolts of cloth, and 91,935 bolts of dyeing, while the processing fee per bale of yarn was increased from 205 parity units to 224 parity units.

During the middle of May, the Textile Control Bureau of East China convened a meeting of the public and private textile industries in the whole East China area. It mapped out production plans prior to the arrival of the new cotton crop. The importation of a portion of foreign cotton will require a subsidy of over JMP 500,000 million from the nation's coffers.

During the months of April and May, the private iron and steel works obtained two-thirds of the total purchasing orders of the government, while private factories for manufacturing electrical machines got orders valued at 12,000 million catties of rice, thereby enabling both industries to make full use of their productive capacity.

The state-operated Miscellaneous Goods Co. and the Commercial Trust Co. during the months of April and May bought stocks of more than JMP 186,000 million from private factories. Banks granted loans approximating JMP 20,000 million under the new loan regulations while new loans were being issued. Initial readjustments were also made in the scope of business of state-operated retail shops, in wholesale and retail prices, in differential prices between one district and another, and in prices of coal, electricity, and transportation. Especially noteworthy is the elimination of black market interest rates following the efforts at readjustment of interest rates by the People's Bank of China, reducing the rate to 1/8th of that for February.

All the above measures, together with the initial improvements made in policies and methods of operation on the part of private industrial and commercial establishments, and the bettering of labor-capital relations, had significant repercussions on the inauguration of a turn for the better in industrial conditions in Shanghai and various other localities in East China.

III.—Water Conservancy and Famine Relief

The flood afflicted area last year in East China covered some 53 million mow (1/6 acre), with loss of agricultural crops estimated at 7,700 million catties (1.1 pounds). Consequently, the work of flood prevention and conservancy in this area is especially important. During the first half of this year, the people's governments of various levels in East China exerted their utmost in making repairs to conservancy works, and in carrying out work-relief projects to help the victims of famine. Among the main works effected in the area during 1950 may be mentioned five big projects, the Yangtze Dyke, Huai River Dyke and the dredging of its tributaries, Canal Dyke, the sea dyke along the Kiangsu and Chekiang coast, and the dredging of the Yi and Shu Rivers.

The work of repairing the Yangtze Dyke and dredging the Yi River were most arduous, the former involving an area of 33 million kung fang (cubic meters), and the latter 38 million kung fang. The labor force mobilized from famine areas at different periods to participate in the repair work totalled over two million persons. In the conservancy work for the river Yi alone, 340,000 persons were mobilized. The cadres of different levels headed the force in doing the work, and it was no uncommon occurrence for them to remain on the dyke for days at a stretch. Except in the case of a section of the coastal dyke along the Kiangsu and Chekiang border, all works were completed, in the main, by the end of May. If the water level of this year's flood does not exceed that of last year's, then the 23,880,000 mow of land which were inundated by flood last year may be spared from disaster this year because of the new works.

In addition, 9,320,000 mow of land will also benefit.

However, the plans for conservancy were found to be none too perfect, while waste in expenditures for water conservancy still existed. These shortcomings deserve the serious attention of the governments of different districts and conservancy organs, and should be carefully guarded against in future.

For the above works, outlays equalling 420 million catties of rice were made. Besides this, 200 million catties of rice were allotted from the public funds for emergency relief, in addition to 66 million catties of cereal issued by the Production Famine Relief Committee, East China, and loans amounting to 240 million catties of rice made by banks and numerous trade units. In total, the money spent directly and indirectly on relief amounted to the equivalent of 900 million catties of rice. No doubt, this went a long way in helping the people of the devastated areas to overcome the grave disasters of flood and famine, and enabled them to carry out cultivation and production in the spring.

IV.—Concerning Agricultural Production and Purchases of Silk and Tea

In the current year, spring hoeing and sowing on some 130,000,000 mow of land have been completed. The enthusiasm for production on the part of the masses is higher than ever. It is quite noticeable in the field of applying fertilizers, in reconstructing irrigation systems, and in reclaiming waste land. The cotton growing area for this spring for the whole district is set at 15,200,000 mow of which, according to preliminary reports, 14,770,000 mow have already been completed. Since May, the movement for destruction of injurious insects has been extensively launched. Anti-insect field headquarters have been set up in the provinces of Fukien, Chekiang and South Kiangsu, and measures to encourage insecticide work announced, with satisfactory initial results.

In last year's original plan the wheat area in East China was set at 109,020,000 mow. According to available reports from various places, no less than 127,960,000 mow were cultivated, covering 41.84% of the whole of East China's arable land, and exceeding the original plan by 18,940,000 mow. But except for Fukien and the greater part of Shantung, where comparatively better crops were reported, in all other areas the excessive rainfall of this spring, coupled with the ravages of plant disease and flood, resulted in curtailing production and crop losses.

East China being noted as the producing area of silk and tea, the people's government has been paying great attention to the production of silk and tea as well as the purchase of these products. In the current year, more than 840,000 sheets of improved silkworm eggs were issued, of which 820,000 sheets were incubated. A former estimate set cocoon production at 270,000 piculs. (A picul of cocoons weighs 50 kg.—Ed.) But actually this year's output was especially good, reaching 420,000 piculs. Up to the end of June, 380,000 piculs were collected. The purchasing price was 3.5 piculs of "92" rice (A picul of rice weighs 78 kg.—Ed.) for a picul of cocoons from improved silkworm eggs; 3.15 piculs of "92" rice for a picul of cocoons from the ordinary silk worm eggs; 2 piculs of "92" rice for a picul of cocoons from native silk-worm eggs. In fixing these prices due consideration has been given to the interests of the farmers.

The plan for the purchase of black and green tea in the whole area is set at 190,000 piculs. (A picul of tea weighs 50 kg.—Ed.). It is believed that the fulfillment of this purchasing plan is assured, as the purchase price for one pitul of black tea is set at 4.35 piculs of "92" rice, and that for green tea is 3.6 piculs of rice, which prices are quite in keeping with the basic interests of the peasants. At the same time, the state trading concerns made available sufficient stocks of foodstuffs, cotton piece goods and other daily commodities to cater to the demands of the rural population, as well as to stabilize commodity prices at the purchasing localities.

As the state purchasing fund is somewhat limited, quantities of tea and cocoons remain to be purchased. It is hoped that private merchants will also take an active part in these trades.

V.—Public Industry, Communications, Cooperatives, and Marine Products

Besides the above-stated four tasks, we also did much in the field of state-operated industries, communications, cooperative associations and marine products. In the field of state-operated industries, the China Textiles Inc. did its best in overhauling its internal structure, and in converting part of its ramie production, that no longer meets the needs of the masses, into cotton textile production. Production contracts have been made between the CTI and its numerous factories, while agreements among various machine rooms were also signed, with a view to making each level assume its own responsibilities. The use of mixed cotton helped to reduce the cost of cotton consumption by some 10%; while the cutting down of glueing percentage in the finished cloth, the simplification of kinds of productions and the style of packages, also considerably reduced the cost of production.

A general rise in production capacity has also been noticed in other state-operated industries following the half year of reorganization. The total value of production during May of the current year was increased by 65% in comparison with that of last December. The cost of production has been reduced. The various factories have basically become self-sustaining. About 50 to 90% of the program of rebuilding the steel and iron industries, as well as the industries of electrical appliances, has been completed. Preparations for the restoration of non-ferrous mines have been completed, and now actual operation is under way.

In highway transportation, for the purpose of solving the difficulties of supply over demand, both water and land joint transportation services have been organized, and so have the private motor transportation enterprises been put under the joint operation system. In this way, blind competition has been reduced. For facilitating transportation between Fukien and Chekiang, the construction of the Fukien-Chekiang highway is now under way. For shipping of coal and foodstuffs, shipping services

along the Yangtze have been organized. This action helped to effect the shipment of 580,000 tons of coal between January and May, and 170,000 tons of foodstuffs between March and May, thus supplies to the big cities have been ensured. For facilitating the interflow of goods the freight has been repeatedly reduced by from 20% to 50%. Since the liberation of Choushan, vigorous preparations in reopening the port, in unifying the administration of the Shanghai port and its shipping services, have been in full swing.

In the field of co-operative tasks, the number of various grades of supply and consumers co-operative societies in the whole area above the chu (district) level, has been increased from 831 to over 1,000 at the end of last year, while the number of those below the chu level organized by the people themselves during the same period increased from 8,095 to 11,780, with an increase of members from 2,800,000 to more than 4,000,000 and aggregate capital from JMP 24,600,000,000 to JMP 45,900,000,000. The total value of supply and consumers' co-operatives reached a grand total of JMP 860,400,000,000. These co-operative societies in different localities, in addition to their specified tasks, lay great emphasis upon lining up the masses towards productive activities as a means of famine relief, and upon assisting the state-operated concerns in purchasing and collecting a part of the silk and tea and other native products.

In the field of marine production, the yearly catch by both public and private fishing enterprises has been set at 220,000 tons, and this target is being feverishly fulfilled in various localities in the area. What is rather undesirable is that the market demand for fish is not so big as was expected. This state of things has affected somewhat the enthusiasm and efforts of the fishermen. This deserves the serious attention of the people's governments in various localities. They should help the fishermen to prepare dried and salted fish for storage and sale in distant parts of the country. For the purpose of solving the difficulties of the fishermen in their fishery and salt industry, a loan of 25,000,000 catties of millet to the fishing population has been granted in East China area, and another fishery and salt industry loan of JMP 6,000,000,000 has been granted in Shantung province. And for relief of the fishermen in the Choushan district since liberation, another fishery and salt loan of JMP 6,000,000,000 has been under consideration.

The foregoing, in general, is my report on the execution of the financial and economic tasks in East China during the last five months.

Main Tasks in the Financial and Economic Fields of East China

Committee members and comrades:

Since the First Plenary Session of the East China Military and Administrative Committee and after five months of endeavor, initial signs of a turn for the better have been shown in the financial and economic situation of the East China Area, while achievements have been made in the fields or rural production, famine relief and water conservancy. All these have been accomplished under the overall national trend of the balance of revenue and expenditure in public finance, the stabilization of currency and commodity prices and the beginning of a turn for the better in financial and economic conditions on a nation-wide scale.

However, the task of supporting the front is arduous insofar as Taiwan and other islands still have to be liberated. Because of the concentration of cities and industry and commerce in East China, numerous difficulties remain to be resolved in the process of overhauling anew the entire social and economic structure. Also in the East China Area are many newly-liberated regions and flood has been serious. Consequently, the financial and economic difficulties facing East China are still quite considerable.

The general task in the financial and economic fields from now on consists in firmly carrying out Chairman Mao's instructions given in his report submitted to the third meeting of the Seventh Plenary Session of the Central Committee of the Communist Party of China: "Consolidate the unified control and leadership in financial and economic work, consolidate the balance of income and expenditure and the stabilization of prices. In accordance with this principle, readjust taxation and lighten the burden of the people as far as is proper. On the principle of unified planning and taking into account the interests of all sections, exterminate blindness and anarchy in the economic field step by step, properly readjust existing industry and commerce and improve relations between the public and private enterprise and between labor and capital earnestly and properly, so that the various economic components of society have a division of labor and cooperate with each other and each plays a correct role under the leadership of the state-owned sector of the economy, which is of a socialist nature, to facilitate the revival and development of the entire social economy."

On the basis of the policies outlined by Chairman Mao, the principles given in the report on the readjustment of industry, commerce and taxation submitted to the Second Session of the National Committee of the PPCC by Vice-Premier Chen Yun and the instructions given by Chairman Jao to this meeting, I am now going to report on the several main tasks to be carried out hereafter in the financial and economic fields in East China.

I.—Readjust Taxation, Complete Work of Collection of Public Grains

In order to consolidate the balance of revenue and expenditure in public finance and to stabilize currency and commodity prices, we must first resolutely ensure the fulfillment of the plan for the collection of taxes and public grains under the policies and requirements prescribed by the central authorities. We must correct, in line with the spirit of the reports on the readjustment of taxation made by Vice Premier Chen Yun and Finance Minister Po I-po to the Second Session of the National Committee of the PPCC, our deviations and mistakes committed in the course of collecting taxes and public grain in the past. Simultaneously, in order to ensure successful carrying out of the work of collection of taxes and public grain, we must also resolutely overcome the illegal practices of tax evasion and concealment of undeclared land. The collection of public grain for this summer is of a preliminary nature, the burden of which will be settled together with that of the autumn collection. The demand of the provinces of Chekiang, South Anhwei and South Kiangsu to defer summer collection until autumn, on the ground that the summer yield of crops was not sufficient to justify the labor and money incident upon its collection, has been ratified. Other provinces are ready to start the collection of summer public grain. However, in view of our lack of thorough understanding of acreage and crop conditions of the newly-liberated areas, uneven distribution of burdens may still possibly occur and should it be so in the collection of summer public grain, the burden would have to be settled together with the autumn collection. In case these phenomena occur in the collection of taxes, they should be promptly readjusted.

II.—Readjust Industry and Commerce, Overcome Present Difficulties

The readjustment of industry and commerce involves manifold problems. In order to be able to meet the justifiable demands, concerted efforts must be made by public and private labor and capital, and industrial, commercial and financial circles. We must, on the basis of the spirit of the report on the readjustment of industry and commerce made by Vice Premier Chen Yun to the Second Session of the PPCC, perform the following tasks systematically:

A.—The various central financial and economic agencies are just now engaged in calling a series of specialized conferences to effect systematic readjustment of industry and commerce of the entire nation, and have enjoined the financial and economic units of East China to invite industrial and commercial personages of various places to hold preparatory conferences. We ought to listen fully to the views of the various local representatives and discuss them carefully in order to ensure the success of these conferences.

B.—We must carry out rational and centralized distribution of processing and purchasing orders, which are assigned to East China by the Financial and Economic Affairs Committee of the Government Administration Council, to the public and private factories within our area. With regard to the supply of raw materials, the interests of both public and private factories must be taken into account. The remuneration for orders placed with public and private factories must be uniform. At the same time, the public and private factories executing processing and purchasing orders must strictly live up to the conditions of quantity, quality and delivery date as stipulated in the agreements entered into. Otherwise, effective measures shall be meted out in accordance with the gravity of damage to the interests of the country and the people resulting from the violation of agreements.

C.—In order to readjust marketing and production, we must grasp the policy of fixing production on the basis of sales. The assortment and volume of production of public and private enterprises should be readjusted on the basis of market demand and supply of raw materials, in overcoming the present discrepancy between production and marketing. As a result of the government's processing and purchasing orders and the new tea, cocoon and wheat crops, the outlets for certain industrial products have been widened, which has prompted a small number of manufacturers to demand production increases blindly. These demands are in excess of the actual requirements of the market and only increase the burdens of the state incurred by processing and purchasing orders, and should be discouraged in time.

D.—Special attention should be paid to the readjusting of margins between wholesale and retail prices and between prices of different areas so as to guarantee a legitimate profit for retail dealers and distant traders. Proper division of labor should be accomplished between public trading establishments and private shops. Apart from handling various import and export trades, the public trading establishments should in the man undertake wholesale trade in daily necessities such as foodstuffs, coal, yarn and cloth, ensure the recall of currency and stabilize wholesale prices; while the handling of retail trade in daily necessities and commodities should be limited to the stabilizing of retail prices and preventing speculation and disruption. At present, strenuous effort should be exerted in encouraging and rallying the private merchants of various places to engage in legitimate business and to facilitate the interflow of urban and rural commodities.

E.—The work of granting loans jointly undertaken by public and private banks should be carried on and further expanded. Preparations should be made for the establishment of investment companies jointly owned by public and private capital. The state banks should expand their business of documentary credit in order to help properly, with regard to the turnover of capital, both private enterprises and exporters that are serving the national welfare and people's livelihood.

F.—Private industrialists and businessmen are advised to change their old policies of management in accordance with the principles of coordinating production to meet the requirements of the masses, to retrench positively their internal organization, to better labor-capital relations, to improve their methods of operation, and to lower production costs so as to overcome their present difficulties. Medium and small factories are to be encouraged to form joint operations on the principle of voluntariness and mutual assistance. The public-owned enterprises should rely upon the working class in carrying out democratic management, in doing away with the remnant influences of bureaucratic capitalism in the methods of management and in gradually putting into practice the cost accounting system in order to meet the requirements of operation

on a business basis. State enterprises should participate in, and attach importance to, the joint associations of industry and commerce as well as various trade guilds so as to improve their relations with, and to guide, private enterprises. On the other hand, the joint associations of industry and commerce and various trade guilds should make systematic studies on production and marketing of private enterprises in order to better serve the members of associations or guilds and help the people's government in giving planned directions and assistance to all trades.

G.—The people's governments as well as the industrial and commercial circles in general should particularly intensify their work of giving relief to unemployed workers. Up to now, the East China Military and Administrative Committee and the East China Production and Relief Committee have allocated over 70 million catties of emergency grain and miscellaneous foodstuffs, while the All-China Federation of Labor has called on the workers of the whole country to contribute to the relief of their unemployed brothers in Shanghai. We should strictly observe the directives and measures regarding the relief of unemployed workers recently issued by the Government Administration Council by collecting relief funds, by adopting work-relief projects and by taking such subsidiary measures as self-help through production, transfer of employment, and repatriation in order quickly to accomplish the relief work.

III.—Control Urban-Rural Trade after Autumn Harvest, Stabilize Commodity Prices and Prevent Detrimental Effects on Peasants Caused by Cheap Prices of Grain

The people's governments of all provinces, municipalities and districts as well as all trade organizations should pay special attention to the following two tasks after the summer and autumn harvests:

A.—It is necessary actively to purchase various native products from the rural areas in accordance with the regulations issued by the Ministry of Trade, to readjust properly the prices of major agricultural staples such as wheat, rice, cotton, peanut, soybeans and tobacco in order to protect the costs of agricultural production and, at the same time, to give the merchants a margin of profit.

B.—For the purpose of stabilizing commodity prices in the cities and the countryside, the trade organizations in all provinces, municipalities and districts must prepare sufficient daily necessities, especially yarn, cloth and fertilizers, to meet the demands of the broad masses of peasants. Besides, exportation of such products as bristles, leather and furs, silk, tea, oil and fats should be fully encouraged, while due attention should be paid to the adjustment and supply of equipment and raw materials indispensable to industrial production. The People's Banks and co-operatives in various places should efficiently operate in co-ordination with the urban-rural trade. All railway administrations, navigation companies and highway transportation offices should consider the readjustment of freight charges, simplify transportation procedures and raise the efficiency of the transportation work so as to better serve the urban-rural trade.

IV.—Strive for the Prevention of Floods and Drought, Ensure the Accomplishment of Autumn Harvest and Sowing

At present, the repairs on dykes made during the spring in various places are still in the process of inspection. Although the strength of the dykes in certain localities still leaves much to be desired, the summer high water season has already come. It is necessary for the people's governments and the flood-prevention organizations to be strictly on the alert, to intensify the inspection of dykes on the basis of the spring repairs, to insure the protection of the dykes, to collect hydrographical knowledge, to prepare equipment and material for emergency battling of floods, and to organize the masses to participate positively in anti-flood work. Efforts should be made to ensure that the dykes in various places, as long as the water level is under the inundation line, will not collapse.

Prevention of drought: Owing to the insufficiency of rain during the first stage of this year's "mouldy season," there have already been signs of drought in certain localities. In spite of the recent timely rainfall, it is still necessary to caution against apathy, and to mobilize the masses to participate in irrigation work and the prevention of drought. Such measures as providing earth for the dykes, building dams, drilling wells and repairing water-mills are to be adopted in accordance with varying conditions in different places.

With a view to ensuring the accomplishment of the autumn harvest and increase of cotton and food output, the people's government should take up the leadership in proceeding with summer hoeing, fertilizing and battling against insects. The utilization of manpower, animal power and agricultural implements should be better organized and readjusted, while special attention should be directed to relief work during the summer drought. Preparations regarding seeds, fertilizer and cattle should be made at an early date for the autumn sowing. The People's Bank of China and all the trade organizations, in granting loans and purchasing agricultural products, should do their best to look after the broad masses of peasants who are short of production funds after the agrarian reform, in order to facilitate the revival of agricultural production.

V.—Train the Financial and Economic Cadres, Overcome Bureaucratism and Authorianism

Our financial and economic work is basically different from that of the KMT. We spend on the people what we collect from them, we enjoy the support and the confidence of the people. Our way of doing things is to persuade and educate people, to consult with them, to seek their co-operation and to accomplish tasks through their joint efforts. Legal sanctions are imposed on the very few who violate laws and refuse to be reformed through education. A large number of the newly-recruited cadres, as well as staff members retained from the KMT rank and file in various levels of financial and economic organs, prove to be good cadres. However, some of them, ignorant of the policies and the working methods of the people's government, still retain their old attitude when at work and often resort to methods of compulsion and authoritarianism in performing their duties. On the other hand, although the bulk of cadres from the old liberated areas are generally loyal to the people's cause, some of them not infrequently resort to crude or even compulsory and authoritarian methods. Bureaucratism also exists to a considerable extent in our leading financial and economic organizations, as shown by the failure in carrying out timely check-up of the work done and in providing a systematic education for the cadres. Bureaucratism and the attitude of compulsion or authoritarianism are detrimental to our work and harmful to the close coordination between the people's government and the people themselves. At present, the entire East China Area is unfolding the movement of training cadres under the prevalent spirit of self-criticism and mutual criticism. Bureaucratism and the attitude of compulsion and authoritarianism will be gradually corrected and overcome. At the same time, as the movement of training cadres is going on, the financial and economic organizations of all classes should take up the struggle against grafting and waste and develop the spirit of honesty, devotion and perseverance among the cadres. All financial and economic cadres should wholeheartedly serve the people and be good government workers.

In my opinion, the above are the five main tasks hereafter in the financial and economic fields of the East China Area. Any discussions and suggestions concerning these problems will be heartily appreciated.

(*Shanghai News* translation)

Documents and Speeches

Copies of the* China Weekly Review *containing translations of the following documents and speeches are still available for those readers who wish to keep a complete file of important speeches and statements of the new China's leaders, as well as of all major laws and regulations put into effect during the past year:

	in China (including postage)	*abroad (including postage)*
Common Program of the PPCC	JMP8,000	US$0.40
Full Text of the Organic Law of the Chinese People's Republic	JMP6,000	US$0.30
Full Text of the Organic Law of the Chinese People's Political Consultative Council	JMP6,000	US$0.30
Liu Shao-chi's Speech on Sino-Soviet Friendship...	JMP6,000	US$0.30
List of Officials of the Central People's Government	JMP4,000	US$0.20
Full Text of Li Li-san's Speech on China's Trade Union Movement...	JMP4,000	US$0.20
Text of Treaty and Agreements between China and the Soviet Union ...	JMP4,000	US$0.20
China's Finances and Food—an Official Report by Chen Yun	JMP4,000	US$0.20
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Chen Yun's Report to the PPCC on Industry, Commerce and Taxation	JMP4,000	US$0.20
Reports to the PPCC National Committee:	JMP4,000	US$0.20
a) Mao Tse-tung's Closing Address		
b) Kuo Mo-jo's Report on Cultural and Educational Work in China		
c) Shen Chun-ju's Report on the People's Court		
Full Text of China's Agrarian Reform Law	JMP4,000	US$0.20
Liu Shao-chi's Analysis of the Agrarian Reform Law	JMP4,000	US$0.20
China's Trade Union Law and Comment by Li Li-san	JMP4,000	US$0.20